

**בימי אופורטוניטי IV, שותפות מוגבלת, פימי ישראל אופורטוניטי IV, שותפות מוגבלת, פימי אופורטוניטי פיב, שותפות מוגבלת ופימי ישראל אופורטוניטי פיב, שותפות מוגבלת (להלן ייחדו: "המציעה")**

**גילת רשותות לוינו בע"מ ("החברה")**

בהתאם לחוק החברות, התשנ"ט-1999 ("חוק החברות"), לחוק ניירות ערך, התשכ"ח-1968, ולתקנות ניירות ערך (הצעת רכש, התש"ס-2000 ("תקנות הצעת רכש") מובא להלן:

**מפורט הצעת רכש מיוחדת לרכישה על-ידי המציע, של**

5,166,348 מנויות רגילות בנות 0.20 ש"ע ע"ג כל אחת של החברה ("המנויות") המוחזקות בידי בעלי המניות של החברה ("הণיצעים"), המהוות כ- 12.1% מזכויות ההצעה בחברה ומהונת המונפק והנפרע נכון ל-30 בספטמבר 2014, במחיר של 4.95 דולר של ארה"ב לכל מניה, כפוף לניכוי מס במקור ע-פי דין ("ההצעה הרכש").

מניות החברה רשומות במסחר בבורסה לניירות ערך בתל-אביב בע"מ ("הבורסה"), וכן בבורסת ה-**Nasdaq Global Select Market** בארה"ב ("Nasdaq"). לפיכך, הצעת הרכש כפופה לדין בישראל ובארה"ב ובהתאם לפטור מרשות ניירות ערך בישראל ("הרששות"), מפרט זה (למעט עטיפה זו) זהה למפרט (Offer to Purchase) המפורסם על ידי המציע בארכות-חברה ("המפרט") וכולג גם פרטיהם אשר אינם נדרשים על פי תקנות הצעת רכש.

כון לתאריך המפרט, מחזיקה המציע עצמה ב- 9,776,324 מנויות של החברה, המהוות כ- 23% מזכויות ההצעה בחברה ומהונת המונפק והנפרע. אם תיענה הצעת הרכש במלואה, תחזיק המציע, עצמה, לאחר השלמת ההצעה הרכש 14,942,672 מנויות של החברה, המהוות כ- 35.1% מזכויות ההצעה בחברה ומהונת המונפק והנפרע.

- בעל מניות בחברה, אשר מחזיק את מניותיו באמצעות חבר הבורסה, המעוניין להבע את עמדתו בקשר להצעת הרכש, יעשה זאת באמצעות חבר הבורסה אשר אצלו מתנהל פיקדון ניירות ערך שלו, וחבר הבורסה יודיע על כך לרכז ההצעה הישראלי (כהגדרכטו להלן), כמפורט בסעיף 3 למפרט.
- בעל מניות בחברה, אשר רשום כמחזיק בפנסק בעלי מניות המונעל על-ידי החברה בישראל ("מחזיק רשום"), המעוניין להבע את עמדתו בקשר להצעת הרכש, יעשה זאת באמצעות בנק ירושלים בע"מ ("רכז ההצעה הישראלי"), במשרדיו בבירה רוביינשטיין, דרכ' בגין 37, תל-אביב 6522042 כמפורט בסעיף 3 למפרט. פרטיים נוספים בדבר דרכי ההתקשרות עם רכז ההצעה הישראלי ומועדיהם מופיעים בעמוד האחרון למפרט.
- בעל מניות בחברה, אשר אינו מחזיק רשום, ואשר אינו מחזיק את מניותיו באמצעות חבר הבורסה, המעוניין להבע את עמדתו בקשר להצעת הרכש, יעשה זאת באמצעות רכז ההצעה האמריקני (U.S. Depository), כמפורט בסעיף 3 למפרט.

בדיקת תוכנות ההצעה הרכש כמפורט בסעיף 1 למפרט, תיעשה בהתחשב בסעיף כל המניות הכלולות בהודעות הקיבול וההتجנדות כאמור בסעיף 3 למפרט, שייסמוו למצועה, באמצעות רכז ההצעה (Depositories), על-ידי הניצעים.

כמפורט בסעיף 11 למפרט, התcheinיות המציע להרכש מניות בהצעת הרכש בהתאם למפרט זה מותנית בהתקיים התנאים הבאים: (א) העונת מזערית להצעת הרכש של ניצעים לגבי מניות המהוות לפחות 5% מהונת המונפק של החברה ומזכויות ההצעה בה (כיקום 2,130,095 מנויות ("יתגאי היענות המזערית"), ו-(ב) על-פי סעיף 331 לחוק קולות הניצעים לא יובאו בחשבו קולותיהם של בעלי שליטה במצבו או של בעלי דבקות שליטה בחברה, או מי מטעמים של אלה או של המציע, לרבות קרוביהם או תאגידים שבהשליטותם; ו-(ג) קבלת אישור המונונה על ההגבלים העסקיים בקשר עם הגדלת אחיזות המציע בחברה מ- 25% מהונת המונפק של החברה. פרטיים נוספים אודות זכות המציע לחזור בה מהצעת הרכש, ראה סעיף 11 למפרט.

על פי הסכם בין המציע ובין קרנות YORK (בעלת מניות המזערית כ- 12.1% מזכויות ההצעה בחברה ומהונת המונפק והנפרע) מיום 17 בספטמבר, 2014, התcheinבו קרנות YORK להיענות להצעת הרכש ולמסור הודעות קיבול בוגען לכל 5,166,348 מניות החברה אותן מזערית קרנות YORK.

על מספר המניות הכלול אשר בגין נתקבלו הוודעות קיבול כאמור בסעיף 11 למפרט, המהוות – נכון למועד האמור – כ- 12.1% מזכויות ההצעה בחברה ומהונת המונפק והנפרע קרי, מספר המניות המירבי שהמציעת תחייב להרכש כאמור לעיל, תרכש המציע מכל ניצע שמעוד הדעת קיבול להצעת הרכש חלק יחש מהונת הכלולות בהודעתו זו, בהתאם ליחס שבין מספר המניות המירבי שהמציעת תחייב להרכש כאמור לעיל בין סך המניות אשר בגין נתקבלו הוודעות קיבול כאמור במפרט זה (לרובות בארכות הברית).

כמפורט בסעיף (b) 11 למפרט, אם אירעו נסיבות שהמציעת לא ידעה ולא היה עליה לדעת עליהן, או שלא ראתה ולא הייתה עליה לראותן מראש, ותנאי ההצעה הרכש או על התנוגדותם לה, כאמור נסיבות שעשו שונים מהונת מטען סביר היה מטען האילו ידע את אותן נסיבות בתאריך המפרט, תוכל המציע להזור מההצעה הרכש, עד מועד הקיבול האחרון (כהגדרכטו להלן), והיא תדוח על החזרה מהצעת הרכש לרשות ולבורסה ותפרנסת בתוך יום עסקים אחר הוועדה אודות החזרה מהצעת הרכש ונסיבותה בשני עיתונים יומיים, בעלי תפוצה רחבה, היוצאים לאור בישראל בשפה העברית.

על-פי סעיף 331 לחוק החברות, ההצעה היא הצעת הרכש או על התנוגדותם לה, כאמור נסיבות שעשו שונים מהונת מטען סביר היה מטען האילו ידע את אותן נסיבות בתאריך המפרט, תוכל המציע להזור מההצעה הרכש, עד מועד הקיבול האחרון (כהגדרכטו להלן). מועד הקיבול האחרון למסירת הוודעות קיבול או התנוגדותו להצעת הרכש הוא ביום 25 בנובמבר, 2014 בשעה 17:00 שעון ישראל ("מועד הקיבול האחרון").

**OFFER TO PURCHASE FOR CASH  
5,166,348 ORDINARY SHARES  
of  
GILAT SATELLITE NETWORKS LTD.  
at  
\$4.95 NET PER SHARE  
by  
FIMI OPPORTUNITY IV, L.P.  
FIMI ISRAEL OPPORTUNITY IV, LIMITED PARTNERSHIP  
FIMI OPPORTUNITY V, L.P.  
FIMI ISRAEL OPPORTUNITY FIVE, LIMITED PARTNERSHIP**

**IN AN OFFER BEING CONDUCTED IN THE UNITED STATES AND ISRAEL**

**THE INITIAL OFFER PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 10:00 A.M., NEW YORK TIME, OR 5:00 P.M., ISRAEL TIME, ON NOVEMBER 25, 2014, UNLESS THE OFFER IS EXTENDED.**

We, FIMI Opportunity IV, L.P., a limited partnership organized under the laws of the State of Delaware, FIMI Israel Opportunity IV, Limited Partnership, a limited partnership organized under the laws of the State of Israel, FIMI Opportunity V, L.P., a limited partnership organized under the laws of the State of Delaware and FIMI Israel Opportunity Five, Limited Partnership, a limited partnership organized under the laws of the State of Israel (collectively, "FIMI"), are offering to purchase 5,166,348 ordinary shares, NIS 0.20 par value per share, of Gilat Satellite Networks Ltd., or Gilat shares, at the price of \$4.95 per Gilat share, net to you (subject to withholding taxes, as applicable), in cash, without interest. As of September 30, 2014, there was a total of 42,601,899 Gilat shares issued and outstanding.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THE FOLLOWING:

- (I) GILAT SHARES THAT REPRESENT 5.0% OF THE ISSUED AND OUTSTANDING SHARES AND VOTING POWER OF GILAT (CURRENTLY, 2,130,095 GILAT SHARES) ON THE INITIAL COMPLETION DATE (AS DEFINED BELOW) ARE VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE COMPLETION OF THE INITIAL OFFER PERIOD (AS DEFINED BELOW);
- (II) IN ACCORDANCE WITH ISRAELI LAW, AT THE COMPLETION OF THE INITIAL OFFER PERIOD, THE AGGREGATE NUMBER OF GILAT SHARES VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN IS GREATER THAN THE AGGREGATE NUMBER OF GILAT SHARES REPRESENTED BY NOTICES OF OBJECTION TO THE CONSUMMATION OF THE OFFER; AND
- (III) THE APPROVAL OF THE ISRAELI ANTITRUST AUTHORITY TO THE INCREASE OF FIMI'S SHAREHOLDINGS IN GILAT TO MORE THAN 25% OF GILAT'S ISSUED AND OUTSTANDING SHARE CAPITAL.

THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE SECTION 11, WHICH SETS FORTH IN FULL THE CONDITIONS OF THE OFFER.

THE OFFER IS NOT CONDITIONED ON THE AVAILABILITY OF FINANCING OR THE APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY.

IF MORE THAN 5,166,348 GILAT SHARES ARE VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN IN THE UNITED STATES AND ISRAEL IN THE AGGREGATE, WE WILL PURCHASE A PRO RATA NUMBER OF GILAT SHARES FROM ALL TENDERING SHAREHOLDERS, SO THAT WE WOULD PURCHASE NO MORE THAN 5,166,348 GILAT SHARES.

THE INITIAL PERIOD OF THE OFFER WILL EXPIRE AT 10:00 A.M., NEW YORK TIME, OR 5:00 P.M., ISRAEL TIME, ON NOVEMBER 25, 2014, UNLESS THE INITIAL PERIOD OF THE OFFER IS EXTENDED. WE REFER TO THIS PERIOD, AS MAY BE EXTENDED, AS THE INITIAL OFFER PERIOD. UPON THE TERMS AND SUBJECT TO THE CONDITIONS OF THE OFFER, IF PRIOR TO THE COMPLETION OF THE INITIAL OFFER PERIOD, ALL THE CONDITIONS OF THE OFFER ARE SATISFIED OR, SUBJECT TO APPLICABLE LAW, WAIVED BY US, WE WILL PROVIDE YOU WITH AN ADDITIONAL FOUR CALENDAR-DAY PERIOD, UNTIL 10:00 A.M., NEW YORK

TIME, OR 5:00 P.M., ISRAEL TIME, ON NOVEMBER 29, 2014, DURING WHICH YOU MAY TENDER YOUR GILAT SHARES. WE REFER TO THIS ADDITIONAL PERIOD AS THE ADDITIONAL OFFER PERIOD. THE EXPIRATION OF THE ADDITIONAL OFFER PERIOD WILL CHANGE IF WE DECIDE TO EXTEND THE INITIAL OFFER PERIOD. SEE SECTION 1 AND SECTION 11.

The Gilat shares are listed on the Nasdaq Global Select Market, or Nasdaq, under the ticker symbol “GILT” and on the Tel Aviv Stock Exchange Ltd., or the TASE. On September 16, 2014, the last trading day before we announced our intention to commence the offer, the closing sale price of the Gilat shares was \$4.79 on Nasdaq and NIS 17.37 (\$4.77 based on an exchange rate of NIS 3.641 per United States dollar as of September 16, 2014) on the TASE. **We encourage you to obtain current market quotations for the Gilat shares before deciding whether to tender your Gilat shares. See Section 6.**

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In the United States, the Information Agent for the Offer is:

D.F. King & Co., Inc.

In Israel, information concerning the offer is available from our legal counsel:

Naschitz, Brandes, Amir & Co., Advocates

October 24, 2014

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### **IMPORTANT**

The offer is being conducted simultaneously in the United States and Israel. Pursuant to the Israeli Securities Law, 5728-1968 and the regulations promulgated thereunder relating to tender offers, to which we collectively refer as the Israeli Securities Law, we have filed this offer to purchase together with a cover statement in the Hebrew language with the Israeli Securities Authority, or the ISA, and the TASE. We have also filed an English translation of the cover statement from the Hebrew language as an exhibit to the Schedule TO that we filed with the United States Securities and Exchange Commission, or the SEC.

The offer has not been approved or disapproved by the SEC, any state securities commission, or the ISA, nor has the SEC, any state securities commission or the ISA passed upon the fairness or merits of the offer or upon the accuracy or adequacy of the information contained in this offer to purchase. Any representation to the contrary is a criminal offense.

**We have not authorized any person to make any recommendation on our behalf as to whether you should or should not tender your Gilat shares in the offer. You should rely only on the information contained in this offer to purchase and the other related documents delivered to you or to which we have referred you. We have not authorized any person to give any information or to make any representation in connection with the offer, other than those contained in this offer to purchase and the other related documents delivered to you or to which we have referred you. If anyone makes any recommendation or representation to you or gives you any information, you must not rely on that recommendation, representation or information as having been authorized by us.**

Holders of Gilat shares who hold their Gilat shares through a TASE member, or who are named as holders of Gilat shares in the Register of Shareholders of Gilat in Israel, should tender their Gilat shares to Bank of Jerusalem Ltd., who, with its affiliates, serves as the Israeli Depositary, pursuant to the applicable instructions in Section 3. All other holders of Gilat shares should tender their Gilat shares to American Stock Transfer & Trust Company, the U.S. Depositary (which we refer to, together with the Israeli Depositary, as the Depositaries), pursuant to the applicable instructions in Section 3. For the addresses and telephone numbers of our Depositaries, see the back cover of this offer to purchase.

Upon the terms and subject to the conditions of the offer (including any terms and conditions of any extension or amendment), subject to proration, we will accept for payment and pay for the Gilat shares that are validly tendered and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 25, 2014, unless we extend the period of time during which the initial period of the offer is open. This period, as may be extended, is referred to as the Initial Offer Period, and the date of completion of the Initial Offer Period is referred to as the Initial Completion Date. We will publicly announce in accordance with applicable law, and in any event issue a press release by 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the U.S. business day following the Initial Completion Date, stating whether or not the conditions of the offer have been satisfied or, subject to applicable law, waived by us. As required by Israeli law, if the conditions of the offer are satisfied or, subject to applicable law, waived by us, then if, with respect to each Gilat share owned by you,

- you have not yet responded to the offer,

- you have notified us of your objection to the offer, or
- you have validly tendered such Gilat share but have properly withdrawn your tender during the Initial Offer Period,

then you will be afforded an additional four calendar-day period, until 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 29, 2014, during which you may tender each such Gilat share. We refer to this additional period as the Additional Offer Period. The date of completion of the Additional Offer Period will change if we decide to extend the Initial Offer Period. **Gilat shares tendered during the Initial Offer Period may be withdrawn at any time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, but not during the Additional Offer Period. See Section 1, Section 4 and Section 11.**

Any questions and requests for assistance may be directed to D.F. King & Co., Inc., our Information Agent in the United States, or Naschitz, Brandes, Amir & Co., Advocates, our legal counsel in Israel, at their addresses and telephone numbers set forth on the back cover of this offer to purchase.

Additional copies of this offer to purchase, the Letter of Transmittal and other related materials may be obtained from the Information Agent or the Israeli Depository upon request.

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*Unless the context otherwise requires, all references in this offer to purchase to “FIMI,” “us,” “we,” and “our” are to FIMI Opportunity IV, L.P., a limited partnership organized under the laws of the State of Delaware, FIMI Israel Opportunity IV, Limited Partnership, a limited partnership organized under the laws of the State of Israel, FIMI Opportunity V, L.P., a limited partnership organized under the laws of the State of Delaware and FIMI Israel Opportunity Five, Limited Partnership, a limited partnership organized under the laws of the State of Israel, all references to “Gilat” are to Gilat Satellite Networks Ltd., all references to “Nasdaq” are to the Nasdaq Global Select Market, all references to “TASE” are to the Tel Aviv Stock Exchange Ltd., all references to “dollars” or “\$” are to United States dollars, all references to “NIS” are to New Israeli Shekels, and all references to the “Israeli Companies Law” are to the Israeli Companies Law 5759-1999, as amended.*

*Unless the context otherwise requires, the percentages of the issued and outstanding Gilat shares and the percentages of the voting power of Gilat stated throughout this offer to purchase are based on 42,601,899 shares issued and outstanding as of September 30, 2014.*

*Unless otherwise indicated or the context otherwise requires, for purposes of this offer to purchase, (i) an “Israeli business day” means any day other than a Friday, Saturday, or any other day on which the banks in both Israel and the U.S. are permitted not to be open for business and (ii) a “U.S. business day” means any day other than a Saturday, Sunday, U.S. federal holiday or any other day on which the banks in the U.S. are permitted not to be open for business.*

## **SUMMARY TERM SHEET**

*This summary term sheet is a brief summary of the material provisions of this offer to purchase 5,166,348 ordinary shares of Gilat, par value NIS 0.20 per share (which we refer to as Gilat shares) being made by FIMI, and is meant to help you understand the offer. This summary term sheet is not meant to be a substitute for the information contained in the remainder of this offer to purchase, and the information contained in this summary term sheet is qualified in its entirety by the fuller descriptions and explanations contained in the later pages of this offer to purchase. The following are some of the questions you, as a shareholder of Gilat, may have about us and the offer and answers to those questions. We recommend that you read carefully this entire offer to purchase, the Letter of Transmittal and other related documents delivered to you prior to making any decision regarding whether to tender your shares.*

### **WHO IS OFFERING TO BUY MY SECURITIES?**

- We, FIMI Opportunity IV Fund, L.P., FIMI Israel Opportunity Fund IV, Limited Partnership, FIMI Opportunity V, L.P. and FIMI Israel Opportunity Five, Limited Partnership, are limited partnerships that are part of a group of private equity funds known as the FIMI Funds. The FIMI Funds invest in companies that are predominantly located in Israel or that have significant ties or relations to Israel.
- We are controlled by our general partners FIMI IV 2007 Ltd., a private company limited by shares and FIMI Five 2012 Ltd., a private company limited by shares, the two managing general partners of the FIMI Funds, and each entity in a chain of ownership that leads up to Mr. Ishay Davidi, the founder of the FIMI Funds. This chain of entities consists, in addition to FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd., of Shira and Ishay Davidi Management Ltd. See Section 9. Because FIMI IV 2007 Ltd., FIMI Five 2012 Ltd., Shira and Ishay Davidi Management Ltd. and Ishay Davidi control us and helped to structure our offer, our offer may be deemed to be made on behalf of these controlling persons, and in this offer to purchase we refer to them and us collectively as our “bidder group.”

### **HOW MANY SHARES ARE SOUGHT IN THIS OFFER?**

- Subject to certain conditions, we are offering to purchase 5,166,348 Gilat shares, representing approximately 12.1% of the issued and outstanding Gilat shares and of the voting power of Gilat. See Section 1.
- If more than 5,166,348 shares are validly tendered and not properly withdrawn, we will purchase 5,166,348 shares on a pro rata basis from all shareholders who have validly tendered their shares in the Initial Offer Period and the Additional Offer Period and have not properly withdrawn their shares before the completion of the Initial Offer Period. The number of shares that we will purchase from each tendering shareholder will be based on the total number of shares validly tendered by all shareholders in the Initial Offer Period and the Additional Offer Period and not properly withdrawn before the completion of the Initial Offer Period. You may only withdraw previously tendered shares prior to the completion of the Initial Offer Period. See Section 1 and Section 4.
- Pursuant to an Agreement, dated as of September 17, 2014 among (i) FIMI and (ii) York Credit Management, L.P., York Multi-Strategy Master Fund, L.P., York Credit Opportunities Fund, L.P., York Credit Opportunities Master Fund, L.P.,

Jorvik Multi-Strategy Master Fund, L.P. and Permal York Ltd. (collectively, “York”), (a) we undertook to make a public “special tender offer” pursuant to Israeli Law, on or prior to October 24, 2014, to acquire 5,166,348 Gilat shares at a price of \$4.95 per Gilat share, and (b) York undertook to accept the offer in respect of the 5,166,348 Gilat Shares held by it in consideration for a price of \$4.95 per Gilat share.

## **WHY ARE YOU CONDUCTING THIS OFFER?**

We are conducting the offer to increase our interest in Gilat because we believe in the long-term value of Gilat and in order to comply with the requirements of Israeli law. Under Israeli law, a purchase of shares of a public company may not be made other than by way of a “special tender offer” meeting certain requirements if, among other things, as a result of the purchase, the purchaser would own or would be deemed to beneficially own more than 25.0% of the aggregate voting power of the company and no other person owns at least 25.0% of the aggregate voting power of the company. As of October 23, 2014 we beneficially held 9,776,324 Gilat Shares, representing approximately 23% of the issued and outstanding Gilat shares. Accordingly, in order for us to purchase additional Gilat shares that would increase our voting power in Gilat to more than 25.0%, we are required to conduct the offer as a “special tender offer” meeting the requirements of Israeli law. See “Background to the Offer – Background” and “Background to the Offer – Purpose of the Offer; Reasons for the Offer.”

## **HOW MUCH ARE YOU OFFERING TO PAY AND WHAT IS THE FORM OF PAYMENT?**

- We are offering to pay \$4.95 per Gilat share, net to you (subject to withholding taxes, as applicable), in cash, without interest. All shareholders tendering their Gilat shares in the offer will be paid solely in United States dollars. See “Introduction”, Section 1 and Section 2, and, with respect to withholding taxes, Section 5.

## **WHAT PERCENTAGE OF THE GILAT SHARES DO YOU CURRENTLY OWN AND HOW MUCH WILL YOU OWN IF THE OFFER IS COMPLETED?**

- We currently beneficially own 9,776,324 Gilat shares, representing approximately 23% of the issued and outstanding Gilat shares.
- Following the consummation of the offer, we will beneficially own 14,942,672 Gilat shares, representing approximately 35.1% of the issued and outstanding Gilat shares.

See “Introduction” and Section 11.

## **WHAT IS THE MARKET VALUE OF MY GILAT SHARES AS OF A RECENT DATE?**

- On September 16, 2014, the last trading day before we announced our intention to commence the offer, the closing sale price of the Gilat shares was \$4.79 on Nasdaq and NIS 17.37 (\$4.77 based on an exchange rate of NIS 3.641 per United States dollar as of September 16, 2014) on the TASE. We recommend that you obtain a recent quotation for your Gilat shares prior to deciding whether or not to tender your Gilat shares. See Section 6.

## **DO YOU HAVE THE FINANCIAL RESOURCES TO PAY THE PURCHASE PRICE IN THE OFFER?**

- Yes. We possess all of the necessary funds to consummate the offer from cash on hand. The offer is not conditioned on the availability of financing.
- According to Israeli law, to secure the payment for the Gilat shares tendered pursuant to the offer, the Israeli Depositary, which is a member of the TASE, has agreed to guarantee our obligation to pay for the Gilat shares. To secure this guarantee, we have engaged the Israeli Depositary to act as an escrow agent and have deposited cash into an escrow account in an amount sufficient to pay for the maximum number of Gilat shares that we are offering to purchase.

See Section 2 and Section 10.

## **IS YOUR FINANCIAL CONDITION RELEVANT TO MY DECISION ON WHETHER TO TENDER IN THE OFFER?**

- No. Because our offer is not conditioned on the availability of financing, we possess all of the necessary funds to consummate the offer from cash on hand, and we have deposited cash into an escrow account with the Israeli Depositary in an amount sufficient to pay for the maximum number of Gilat shares that we are offering to purchase.

See Section 2 and Section 10.

#### **CAN I OBJECT TO THE OFFER?**

- Yes. Pursuant to Israeli law, you may object to the offer. If you want to notify us of your objection to the offer you must complete and sign the accompanying Notice of Objection and deliver it prior to the completion of the Initial Offer Period on November 25, 2014 (as may be extended) by following the applicable procedures and instructions described in Section 3. Under Israeli law, since following the consummation of the offer we will be beneficial owners of more than 25.0% of the voting power of Gilat, the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn at the completion of the Initial Offer Period must exceed the aggregate number of Gilat shares represented by Notices of Objection to the offer. This is one of the conditions of the offer, and if it is not met, we will be prohibited from purchasing any Gilat shares tendered pursuant to the offer.

See the answer to the question “What are the most significant conditions of the offer?” below, “Background to the Offer – Rights of Shareholders Who Do Not Accept the Offer” Section 3 and Section 11.

#### **WHAT ARE THE MOST SIGNIFICANT CONDITIONS OF THE OFFER?**

- Gilat shares representing 5.0% of the issued and outstanding shares and voting power of Gilat on the Initial Completion Date (currently, 2,130,095 Gilat shares) must be validly tendered and not properly withdrawn prior to the completion of the Initial Offer Period;
- At the completion of the Initial Offer Period, the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn (excluding Gilat shares held by us) must be greater than the aggregate number of Gilat shares represented by Notices of Objection to the offer; and
- The approval of the Israeli Antitrust Authority to the increase of FIMI's shareholdings in Gilat to more than 25% of Gilat's issued and outstanding share capital.

The offer is not conditioned on the availability of financing or the approval of the board of directors of Gilat.

See “Background to the Offer – Rights of Shareholders Who Do Not Accept the Offer” and Section 11, which sets forth in full the conditions of the offer and describes those conditions of the offer that may be waived by us.

#### **WHAT WILL HAPPEN IF THE CONDITIONS OF THE OFFER ARE NOT SATISFIED?**

- If any condition is not satisfied, we may elect not to purchase, or may be prohibited from purchasing, any Gilat shares tendered pursuant to the offer, or, subject to applicable law, we may waive such conditions. See “Introduction”, Section 1 and Section 11.

#### **HOW LONG DO I HAVE TO DECIDE WHETHER TO ACCEPT THE OFFER AND TENDER MY SHARES?**

- You may tender your Gilat shares until 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 25, 2014 (as may be extended). We refer to this period, as may be extended, as the Initial Offer Period, and the date of completion of the Initial Offer Period is referred to as the Initial Completion Date.
- We will publicly announce in accordance with applicable law, and in any event issue a press release by 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the U.S. business day following the Initial Completion Date, stating whether or not the conditions of the offer have been satisfied or, subject to applicable law, waived by us. As required by Israeli law, if the conditions of the offer are satisfied or, subject to applicable law, waived by us, then if, with respect to each Gilat share owned by you,
  - you have not yet responded to the offer,
  - you have notified us of your objection to the offer, or
  - you have validly tendered such Gilat share but have properly withdrawn your tender during the Initial Offer Period,

you will be afforded an additional four calendar-day period following the Initial Completion Date, until 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 29, 2014, during which you may tender each such Gilat share. We refer to this additional period as the Additional Offer Period and the date of expiration of the Additional Offer Period is referred to as the Final Expiration Date. The Final Expiration Date will change if we decide to extend the Initial Offer Period.

See “Introduction,” Section 1, Section 3 and Section 11.

## **HOW DO I TENDER MY GILAT SHARES AND TO WHICH DEPOSITORY SHOULD I TENDER?**

This depends on the manner in which you hold your Gilat shares:

- If you hold your Gilat shares through a TASE member or you are named as a holder of the Gilat shares in the Register of Shareholders of Gilat in Israel, you should tender your Gilat shares to the Israeli Depository by following the applicable procedures and instructions described in Section 3; and
- All other holders of Gilat shares should tender their Gilat shares to the U.S. Depository by following the applicable procedures and instructions described in Section 3.

## **CAN I TENDER MY GILAT SHARES USING A GUARANTEED DELIVERY PROCEDURE?**

- No. You may only tender your Gilat shares by following the applicable procedures and instructions described in Section 3.

## **WHEN CAN I WITHDRAW THE GILAT SHARES I TENDERED PURSUANT TO THE OFFER?**

- You may withdraw any previously tendered Gilat shares at any time prior to the completion of the Initial Offer Period, but not during the Additional Offer Period. In addition, under U.S. law, tendered Gilat shares may be withdrawn at any time after 60 days from the date of the commencement of the offer if the Gilat shares have not yet been accepted for payment by us. See Section 1 and Section 4.

## **WHEN WILL YOU PAY FOR THE GILAT SHARES TENDERED IN THE OFFER?**

- All of the Gilat shares validly tendered pursuant to the offer and not properly withdrawn will be paid for promptly following the Final Expiration Date, subject to proration. We expect to make such payment, including in the event that proration of tendered Gilat shares is required, within four U.S. business days following the Final Expiration Date. See Section 1, Section 2 and Section 11.

## **CAN THE OFFER BE EXTENDED, AND UNDER WHAT CIRCUMSTANCES?**

- We have the right, in our sole discretion, to extend the Initial Offer Period, subject to applicable law. In addition, in certain circumstances, we may be required by law to extend the Initial Offer Period. See Section 1.

## **HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?**

- If we decide to extend the Initial Offer Period, we will inform the Depositories, the Information Agent and our Israeli legal counsel of that fact. We will also publicly announce the new Initial Completion Date in accordance with applicable law, and in any event issue a press release to this effect no later than 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the first U.S. business day following the day on which we decide to extend the Initial Offer Period. Under Israeli law, we are required to publicly announce the new expiration date no later than one Israeli business day prior to the Initial Completion Date. See Section 1.

## **HAS GILAT OR ITS BOARD OF DIRECTORS ADOPTED A POSITION ON THE OFFER?**

- Under applicable U.S. law, no later than ten U.S. business days from the date of this offer to purchase, Gilat is required to publish, send or give to you a statement disclosing that it either recommends acceptance or rejection of the offer, expresses no opinion and remains neutral toward the offer, or is unable to take a position with respect to the offer.

- Under Israeli law, Gilat's board of directors is required, no later than five Israeli business days prior to the Initial Completion Date, to express its opinion to the shareholders on the advisability of the offer. Gilat's board of directors may refrain from expressing an opinion if it cannot do so, as long as it gives the reasons for not providing an opinion.

As of the date of this offer to purchase, Gilat's board of directors has not made any recommendation regarding acceptance or rejection of the offer or expressed an opinion regarding the advisability of the offer.

#### **ARE THERE ANY CONFLICTS OF INTEREST IN THE OFFER?**

- Yes. Ishay Davidi may have a conflict between his interest, as the controlling person of our bidder group, to complete this offer at the lowest possible cost to us, and his duty, as a director of Gilat, to act in the best interests of Gilat.
- Two members of the board of directors of Gilat, Ishay Davidi and Amiram Boehm, a partner in the FIMI Funds, were designated by us to Gilat's board of directors.

See "Background to the Offer – Purpose of the Offer; Reasons for the Offer" and "Background to the Offer – Interest of Persons in the Offer".

#### **WHAT ARE THE TAX CONSEQUENCES OF THE OFFER?**

- The receipt of cash for Gilat shares accepted for payment by us from tendering shareholders who are "United States persons" for United States federal income tax purposes will be treated as a taxable transaction for United States federal income tax purposes.
- The receipt of cash for Gilat shares accepted for payment by us from tendering shareholders generally will be a taxable transaction for Israeli income tax purposes for both Israeli residents and non-Israeli residents, unless a specific exemption is available or a tax treaty between Israel and the shareholder's country of residence provides otherwise.
- We have obtained an approval from the Israeli Tax Authority with respect to the Israeli withholding tax rates applicable to shareholders as a result of the sale of Gilat shares pursuant to the offer. The approval provides, among other things, that (1) tendering shareholders who acquired their Gilat shares after Gilat's initial public offering on Nasdaq in 1993 and who certify that they are non-Israeli residents (and, in the case of a corporation, that no Israeli residents (x) hold 25.0% or more of the means to control such corporation or (y) are the beneficiaries of, or are entitled to, 25.0% or more of the revenues or profits of such corporation, whether directly or indirectly), will not be subject to Israeli withholding tax, (2) payments to be made to tendering shareholders who acquired their Gilat shares after Gilat's initial public offering on Nasdaq in 1993 and who hold their Gilat shares through an Israeli broker or Israeli financial institution will be made by us without any Israeli withholding at source, and the relevant Israeli broker or Israeli financial institution will withhold Israeli tax, if any, as required by Israeli law. The approval does not address shareholders who are not described in clauses (1) and (2) above, and therefore they will be subject to Israeli withholding tax at the applicable rate of the gross proceeds payable to them pursuant to the offer as prescribed by Israeli tax law.

We recommend that you seek professional advice from your own advisors concerning the tax consequences applicable to your particular situation. See Section 5.

#### **WILL THE OFFER RESULT IN THE DELISTING OF THE GILAT SHARES?**

- No. Gilat shares will continue to trade on Nasdaq and the TASE following completion of the offer. See Section 7.

#### **WITH WHOM MAY I TALK IF I HAVE QUESTIONS ABOUT THE OFFER?**

- You can call D.F. King & Co., Inc., our Information Agent in the United States, at 212-493-3910 or Toll Free 866-406-2288, or our legal counsel in Israel, Naschitz, Brandes, Amir & Co., Advocates, at +972-3623-5000, during their respective normal business hours. See the back cover of this offer to purchase.

## INTRODUCTION

We, FIMI Opportunity IV, L.P, a limited partnership organized under the laws of the State of Delaware, FIMI Israel Opportunity IV, Limited Partnership, a limited partnership organized under the laws of the State of Israel, FIMI Opportunity V, L.P, a limited partnership organized under the laws of the State of Delaware and FIMI Israel Opportunity Five, Limited Partnership, a limited partnership organized under the laws of the State of Israel (collectively, “FIMI”), hereby offer to purchase 5,166,348 ordinary shares, par value NIS 0.20 per share, of Gilat Satellite Networks Ltd., or Gilat shares, at a price of \$4.95 per share, net to you (subject to withholding taxes, as applicable), in cash, without interest. The offer is subject to the terms and conditions set forth in this offer to purchase, the Letter of Transmittal and the other related documents delivered to you.

Gilat shares are listed on the Nasdaq Global Select Market, or Nasdaq, under the ticker symbol “GILT” and on the Tel Aviv Stock Exchange Ltd., or the TASE. As of September 30, 2014, there was a total of 42,601,899 Gilat shares issued and outstanding. As of the date of this offer to purchase, we beneficially own 9,776,324 Gilat shares, representing approximately 23.0% of the issued and outstanding Gilat shares. As a result, if we purchase 5,166,348 Gilat shares pursuant to the offer, we would beneficially own 14,942,672 Gilat shares, representing approximately 35.1% of the issued and outstanding Gilat shares.

FIMI is part of a group of private equity funds known as the FIMI Funds. The FIMI Funds invest in companies that are predominantly located in Israel or that have significant ties or relations to Israel.

We are controlled by our general partners FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd. and an entity in a chain of ownership that leads up to Ishay Davidi, the founder of the FIMI Funds. This entity is Shira and Ishay Davidi Management Ltd. Because FIMI IV 2007 Ltd., FIMI Five 2012 Ltd., Shira and Ishay Davidi Management Ltd. and Ishay Davidi control us and helped structure our offer, our offer may be deemed to be made on behalf of these controlling persons, and in this offer to purchase we refer to them and us collectively as our “bidder group.”

Ishay Davidi may have a conflict between his interest, as the ultimate controlling person of our bidder group, to complete this offer at the lowest possible cost to us, and his duty, as a director of Gilat, to act in the best interests of Gilat. Two members of Gilat’s board of directors, including Ishay Davidi, were designated by us to Gilat’s board of directors.

The offer is being conducted simultaneously in the United States and in Israel. The initial period of the offer will be completed at 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 25, 2014. We refer to this period, as may be extended, as the Initial Offer Period, and the date of completion of the Initial Offer Period is referred to as the Initial Completion Date. We will publicly announce in accordance with applicable law, and in any event issue a press release by 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the U.S. business day following the Initial Completion Date, stating whether or not the conditions of the offer have been satisfied or, subject to applicable law, waived by us. As required by Israeli law, if the conditions of the offer have been satisfied or, subject to applicable law, waived by us, then if, with respect to each Gilat share owned by you, (a) you have not yet responded to the offer, (b) you have notified us of your objection to the offer, or (c) you have validly tendered such Gilat share but have properly withdrawn your tender during the Initial Offer Period, then you will be afforded an additional four calendar-day period, until 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 29, 2014, during which you may tender each such Gilat share. We refer to this additional period as the Additional Offer Period and the date of expiration of the Additional Offer Period is referred to as the Final Expiration Date. The Final Expiration Date will change if we decide to extend the Initial Offer Period.

We have applied to the SEC for exemptive relief from Rule 14d-7(a) and no-action relief under the provisions of Rule 14e-1(c) to provide the four-day additional offering period without withdrawal rights.

If you are a record owner of Gilat shares and tender directly to American Stock Transfer & Trust Company, the U.S. Depository, or to Bank of Jerusalem Ltd., the Israeli Depository (which we refer to together as the Depositories), you generally will not be obligated to pay brokerage fees or commissions, service fees or commissions or, except as set forth in the Letter of Transmittal, share transfer taxes with respect to the sale of your Gilat shares in the offer. If you hold your Gilat shares through a bank or broker, we recommend that you check whether they charge any service or other fees.

We will pay the fees and expenses of the Depositories in connection with the offer. The Depositories will act as agents for tendering shareholders for the purpose of receiving payment from us and transmitting payments to tendering shareholders whose Gilat shares are accepted for payment. We will also pay the fees and expenses of D.F. King & Co., Inc.,

our Information Agent, and Naschitz, Brandes, Amir & Co., Advocates, our Israeli legal counsel, who will both facilitate and answer questions concerning the offer during their respective normal business hours.

The offer is conditioned on Gilat shares representing 5.0% of the issued and outstanding shares and voting power of Gilat on the Initial Completion Date (currently, 2,130,095 Gilat shares), being validly tendered and not properly withdrawn, and we may terminate the offer if the total number of Gilat shares validly tendered and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date is less than 5.0% of the issued and outstanding shares and voting power of Gilat on the Initial Completion Date. Certain other conditions to the consummation of the offer are described in Section 11. We reserve the right (subject to applicable law and the rules of the United States Securities and Exchange Commission, or the SEC) to amend or, other than the conditions set forth in clause (a) and clause (c) of Section 11, waive any one or more of the terms and conditions of the offer. However, if any of these conditions is not satisfied, we may elect not to purchase, or may be prohibited from purchasing any Gilat shares tendered pursuant to the offer. The offer is not conditioned on the availability of financing or the approval of the board of directors of Gilat. See Section 1, Section 10 and Section 11.

**Under applicable U.S. law, no later than ten U.S. business days from the date of this offer to purchase, Gilat is required to publish, send or give to you a statement disclosing that it either recommends acceptance or rejection of the offer, expresses no opinion and remains neutral toward the offer, or is unable to take a position with respect to the offer. Under Israeli law, Gilat's board of directors is required, no later than five Israeli business days prior to the Initial Completion Date, to express its opinion to the shareholders on the advisability of the offer. Gilat's board of directors may refrain from expressing an opinion if it cannot do so, as long as it gives the reasons for not providing an opinion. As of the date of this offer to purchase Gilat's board of directors has not made such a statement.**

This offer to purchase, the Letter of Transmittal and the other related documents delivered to you contain important information which should be read carefully before any decision is made with respect to the offer.

## FORWARD-LOOKING STATEMENTS

This offer to purchase, the Letter of Transmittal and the other related documents delivered to you and/or incorporated by reference herein include “forward-looking statements” that are not purely historical regarding our intentions, hopes, beliefs, expectations and strategies for the future, including, without limitation:

- statements regarding the public float of Gilat shares following consummation of the offer;
- statements regarding whether the Gilat shares will continue to be “margin securities” following consummation of the offer;
- statements regarding whether the Gilat shares will continue to be traded on Nasdaq or the TASE or registered under the United States Securities Exchange Act of 1934, as amended, following consummation of the offer;
- statements regarding the plans, objectives or expectations regarding the future operations or status of us or Gilat; and
- any statement of assumptions underlying any of the foregoing.

Forward-looking statements that are based on various assumptions (some of which are beyond our control) may be identified by the use of forward-looking terminology, such as “may,” “can be,” “will,” “expects,” “anticipates,” “intends,” “believes,” “believe in the value,” and similar words and phrases. Such forward-looking statements are inherently subject to known and unknown risks and uncertainties. Actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to:

- changes in domestic and foreign economic and market conditions;
- changes in the ownership of Gilat shares, particularly any substantial accumulations by persons who are not affiliated with us;
- uncertainty as to the completion of the offer; and
- the risk factors detailed in Gilat’s most recent annual report on Form 20-F and its other filings with the SEC.

See Section 9 of this offer to purchase for a discussion of certain information relating to us. Except as may be required by law, we do not undertake, and specifically disclaim, any obligation to publicly release the results of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such forward-looking statements.

You should assume that the information appearing in this offer to purchase is accurate as of the date on the front cover of this offer to purchase only.

## BACKGROUND TO THE OFFER

### Background

We originally made an investment in Gilat in September 9, 2012 by purchasing a total of 4,424,858 Gilat shares from Menora Mivtachim Holdings Ltd.

On November 12, 2012 and November 14, 2012, we purchased additional Gilat shares in the amounts of 1,639,835 and 1,605,510, respectively, in the open market.

Pursuant to an agreement dated February 3, 2014 with York Capital Management, L.P., York Multi-Strategy Master Fund, L.P., York Credit Opportunities Fund, L.P., York Credit Opportunities Master Fund, L.P., Jorvik Multi-Strategy Master Fund, L.P. and Permal York Ltd. (collectively, “York”), we purchased 2,106,121 of additional Gilat shares from York.

In the ordinary course of our business, we from time to time review the performance of our investments and consider possible strategies for enhancing value. As part of our ongoing review of our investment in Gilat, we explore, from time to time, the possibilities of acquiring additional Gilat shares.

After the purchase of Gilat shares from York in February 2014, our management began considering the possibility of purchasing additional Gilat shares. In connection therewith, we conducted an analysis of the legal requirements relating to the purchase of Gilat shares and the tender offer requirements, including the feasibility of conducting a simultaneous tender offer in the U.S. and Israel. The analysis was made with the assistance of Israeli and U.S. legal counsel.

Under Israeli law, a purchase of the shares of a public company may not be made other than by way of a “special tender offer” meeting certain requirements, if, among other things, as a result of the purchase, the purchaser would own or would be deemed to own more than 25.0% of the aggregate voting power of the company and no other person owns at least 25.0% of the voting power.

Accordingly, due to the fact that under Israeli laws we are obligated to initiate a “special tender offer” in order to own more than 25% of Gilat’s issued and outstanding share capital, we entered into an agreement, on September 17, 2014, with York pursuant to which (a) we undertook to make a public “special tender offer” pursuant to Israeli law, on or prior to October 24, 2014, to acquire 5,166,348 Gilat shares at a price of \$4.95 per Gilat share, and (b) York undertook to accept the offer in respect of the 5,166,348 Gilat shares held by it in consideration of \$4.95 per Gilat share. York currently holds 5,166,348 Gilat shares representing approximately 12.1% of the issued and outstanding share capital of Gilat. For further information regarding the agreement between FIMI and York, you may refer to Schedule 13D/A filed by FIMI with the SEC on September 17, 2014.

Beginning on September 18, 2014 through the date of this offer to purchase, we continued with preparations to enable us to commence the offer. In addition, we, with the assistance of Israeli and U.S. legal counsel, applied to the SEC and the ISA for relief from certain provisions of the U.S. and Israeli securities laws to enable us to structure a tender offer that would comply with applicable law and regulations in both the U.S. and Israel. We have requested from the Israeli Tax Authority, or the ITA, an approval with respect to the Israeli withholding tax rates applicable to the offer, and have filed a merger notice with the Israeli Comptroller of Restrictive Trade Practices, to which we also refer in this offer to purchase as the Israeli Antitrust Authority, with respect to the potential increase of our shareholdings in Gilat to more than 25% of the Gilat shares.

On October 7, 2014, we received the exemptive relief that we requested from the ISA. We are waiting for a determination as to the exemptive relief that we applied for from the SEC.

On October 22, 2014, we received from the ITA an approval with respect to the Israeli withholding tax rates applicable to sales of shares pursuant to the offer.

On October 20, 2014, we filed an application with respect to the offer with the Israeli Antitrust Authority.

### Purpose of the Offer; Reasons for the Offer

Our bidder group’s purpose of the offer is for FIMI to increase its beneficial ownership of the issued and outstanding Gilat shares from its current level of approximately 23.0% up to approximately 35.1%. This is because each member of our bidder group believes in the long-term value of Gilat. According to Israeli law, we are not permitted to acquire additional

Gilat shares if such acquisition would result in our percentage ownership of the voting power of Gilat exceeding 25.0%, other than by means of a tender offer.

### **Plans for Gilat after the Offer; Certain Effects of the Offer**

Except as otherwise described below or elsewhere in this offer to purchase, none of the members of our bidder group, and to the best of our knowledge none of the other persons listed in Schedule I to this offer to purchase, has any current plans, proposals or negotiations that relate to or would result in the following:

- an extraordinary corporate transaction, merger, reorganization or liquidation involving Gilat or any of its subsidiaries;
- a purchase, sale or transfer of a material amount of the assets of Gilat or any of its subsidiaries;
- any material change in the present dividend rate or policy or indebtedness or capitalization of Gilat;
- any change in the present board of directors and management of Gilat (including any plan or proposal to change the number or term of directors or to fill any existing vacancy on the board or to change any material term of the employment contract of any executive officer), other than a filling of the vacancy created by the resignation, on September 30, 2014, of Mr. Jeremy Blank, a principal at York, a principal at York, from Gilat's board of directors;
- any other material change in Gilat's corporate structure or business;
- a delisting of the Gilat shares; or
- the Gilat shares becoming eligible for termination of registration under the United States Securities Exchange Act of 1934, as amended, or the Exchange Act.

We expect that from time to time there may be significant developments or transactions involving our portfolio companies (including Gilat) or their securities, or offers, proposals or discussions related thereto, which may involve acquisitions or sales by us of our holdings in such entities (including Gilat) or acquisitions or sales of securities, assets or business operations by such entities.

We intend to review on a continuing basis our investment in Gilat shares and take such actions with respect to our investment as we deem appropriate in light of the circumstances existing from time to time. Such actions could include, among other things, additional purchases of Gilat shares pursuant to one or more open-market purchase programs, through private transactions or through tender offers or otherwise, subject to applicable U.S. and Israeli law. Future purchases may be on the same terms or on terms that are more or less favorable to Gilat's shareholders than the terms of the offer. Any possible future purchases will depend on many factors, including the results of the offer, the market price of Gilat shares, our business and financial position, and general economic and market conditions. In addition, following the consummation of the offer, we may also determine to dispose of our Gilat shares, in whole or in part, at any time and from time to time, subject to applicable laws. Any such decision would be based on our assessment of a number of different factors, including, without limitation, the business, prospects and affairs of Gilat, the market for the Gilat shares, the condition of the securities markets, general economic and industry conditions and other opportunities available to us.

Under Israeli law, if a shareholder owns or is deemed to beneficially own in excess of 25.0% of the voting power of a company, such shareholder may purchase shares in the open market or through private transactions, and not solely by means of a tender offer, unless as a result of the purchase the shareholder would own or would be deemed to beneficially own in excess of 45.0% of the issued and outstanding shares of the company and no other person owns at least 45.0% of the voting power. Accordingly, following the consummation of the offer, we may purchase Gilat shares in the open market or through private transactions, and not solely by means of a tender offer, as long as our aggregate percentage ownership of issued and outstanding Gilat shares does not reach 45.0% (and no other person owns at least 45.0% of the voting power).

**However, under Israeli law, we, our controlling shareholders and any corporation under our or their control, are prohibited from conducting an additional tender offer for Gilat shares and from merging with Gilat within 12 months from the date of this offer to purchase.**

The offer may limit the ability of Gilat to use U.S. federal income net operating tax loss carry forwards. The Annual Report

on Form 20-F of Gilat for the year ended December 31, 2013, states that as of December 31, 2013, the U.S. subsidiaries of Gilat had U.S. federal net operating tax loss carry forwards of approximately \$67,000,000. Subject to certain limitations, net operating tax loss carry forwards may be used to offset future taxable income and thereby reduce U.S. federal income taxes otherwise payable. Section 382 of the Internal Revenue Code of 1986, as amended, referred to as the Code, imposes an annual limitation on the ability of a corporation that undergoes an “ownership change” to use its net operating tax loss carry forwards to reduce its tax liability. It is possible that the U.S. subsidiaries of Gilat may experience “ownership changes” as defined in Section 382 of the Code because of changes in the ownership of Gilat’s shares, including as a result of the consummation of the offer. Accordingly, the use of net operating tax loss carry forwards by the U.S. subsidiaries of Gilat may be limited by the annual limitation described in Section 382 of the Code. Any limitation on the use of net operating tax loss carry forwards could increase the U.S. federal income tax liability of the U.S. subsidiaries of Gilat.

### **Rights of Shareholders Who Do Not Accept the Offer**

You will have no appraisal or similar rights with respect to the offer. Under Section 331 of the Israeli Companies Law, you may respond to the offer by accepting the offer or notifying us of your objection to the offer. Alternatively, you may simply not respond to the offer and not tender your Gilat shares. It is a condition to the offer that, at the completion of the Initial Offer Period, the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn is greater than the aggregate number of Gilat shares represented by Notices of Objection. As required by Section 331(c) of the Israeli Companies Law, in making this calculation, we exclude Gilat shares held by us.

An excerpt of Section 331 of the Israeli Companies Law is attached as Annex A.

Please see Section 3 for instructions on how to notify us of your objection to the offer.

### **Interest of Persons in the Offer**

Ishay Davidi is a member of Gilat’s board of directors. Ishay Davidi is the founder of the FIMI Funds and the chief executive officer of each of FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd. Amiram Boehm, a partner in the FIMI Funds is also a member of Gilat’s board of directors.

### **Related Party Transactions**

FIMI IV 2007 Ltd., the managing general partner of FIMI Opportunity IV Fund, L.P. and FIMI Israel Opportunity Fund IV, Limited Partnership, was granted options to purchase 100,000 Gilat shares, as approved by Gilat’s audit committee, board of directors and shareholders’ meeting. In addition, FIMI IV 2007 Ltd. receives compensation for the services of Ishay Davidi and Amiram Boehm as members of Gilat’s board of directors equivalent to the amounts paid to other non-employee members of Gilat’s board of directors (as was approved by the shareholders of Gilat in a shareholders’ meeting that was convened on December 31, 2013. For more information, see the proxy statement filed on Form 6-K on November 26, 2013).

Naschitz, Brandes, Amir & Co. has provided legal advice to Gilat and certain members of its board of directors with respect to certain matters. Sharon A. Amir, Adv., a senior partner at Naschitz, Brandes, Amir & Co., is a member of the board of directors of FIMI IV 2007 Ltd.

Except as set forth in this offer to purchase, none of the members of our bidder group, nor any of the other persons listed in Schedule I to this offer to purchase, have had any transaction during the past two years with Gilat or any of its executive officers, directors or affiliates that is required to be described in this offer to purchase under applicable law. Except as set forth in this offer to purchase, there have been no negotiations, transactions or material contacts during the past two years between any of the members of our bidder group, or any of the other persons listed in Schedule I to this offer to purchase, on the one hand, and Gilat and its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer, exchange offer or other acquisitions of Gilat’s securities, an election of Gilat’s directors or a sale or other transfer of a material amount of the assets of Gilat.

## THE TENDER OFFER

YOU SHOULD READ THIS OFFER TO PURCHASE, THE LETTER OF TRANSMITTAL AND THE OTHER RELATED DOCUMENTS DELIVERED TO YOU CAREFULLY BEFORE YOU MAKE ANY DECISION WITH RESPECT TO THE OFFER.

### 1. TERMS OF THE OFFER; PRORATION; EXPIRATION DATE.

The offer is being made to all of Gilat's shareholders. Upon the terms and subject to the conditions of the offer (including any terms and conditions of any extension or amendment), subject to proration, we will accept for payment and pay for Gilat shares, that are validly tendered and not properly withdrawn in accordance with Section 4 prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on November 25, 2014, unless we extend the period of time during which the initial period of the offer is open. We refer to this period, as may be extended (as described below), as the Initial Offer Period, and the date of completion of the Initial Offer Period is referred to as the Initial Completion Date.

We will publicly announce in accordance with applicable law, and in any event issue a press release by 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the U.S. business day following the Initial Completion Date, stating whether or not the conditions of the offer have been satisfied or, subject to applicable law, waived by us. Under Israeli law, if the conditions of the offer have been satisfied or, subject to applicable law, waived by us, then the shareholders who have, with respect to each Gilat share owned by them,

- not responded to the offer,
- notified us of their objection to the offer, or
- validly tendered such Gilat share but have properly withdrawn their tender during the Initial Offer Period,

will be entitled to tender each such Gilat share during an additional four calendar-day period commencing at the completion of the Initial Offer Period. We refer to this period as the Additional Offer Period and to the expiration of such period as the Final Expiration Date. **Shares tendered during the Initial Offer Period may be withdrawn at any time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, but not during the Additional Offer Period. In this respect, we recommend that you read Section 4 and Section 11 of this offer to purchase.**

Subject to proration, we will also accept for payment and pay for all Gilat shares validly tendered and not properly withdrawn in accordance with Section 4 prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date. We expect to make such payment, including in the event that proration of tendered Gilat shares is required, within four U.S. business days following the Final Expiration Date.

No fractional Gilat shares will be purchased by us in the offer.

Conditions of the offer include, among other things, that:

- prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, there shall have been validly tendered and not properly withdrawn Gilat shares representing 5.0% of the issued and outstanding shares and voting power of Gilat on the Initial Completion Date (currently, 2,130,095 Gilat shares); and
- as required by Israeli law, at 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn (excluding the Gilat shares held by us) is greater than the aggregate number of Gilat shares represented by Notices of Objection to the offer.

The offer is also subject to certain other conditions set forth in Section 11. If any of these conditions is not satisfied, we may elect not to purchase, or may be prohibited from purchasing, any Gilat shares tendered pursuant to the offer. The offer is not conditioned on the availability of financing or the approval of the board of directors of Gilat. See Section 11, which sets forth in full the conditions of the offer and specifies those conditions of the offer that are waivable by us.

If more than 5,166,348 Gilat shares are validly tendered and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date, we will purchase 5,166,348 Gilat shares on a pro rata basis from all tendering shareholders who have validly tendered their shares in the Initial Offer Period and the Additional Offer Period and have not properly withdrawn their shares before the completion of the Initial Offer Period. The number of Gilat shares that

we will purchase from each tendering shareholder will be based on the total number of Gilat shares validly tendered by all shareholders prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date and not properly withdrawn before the completion of the Initial Offer Period. The proration factor, if any, will be calculated by dividing (x) 5,166,348 Gilat shares, the number of Gilat shares that we are offering to purchase, by (y) the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn in the U.S. and Israel.

We will publicly announce in accordance with applicable law and in any event issue a press release by 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the U.S. business day following the Initial Completion Date, stating whether the conditions of the offer have been satisfied or, subject to applicable law, waived by us. Promptly following the Final Expiration Date, we will announce the results of the offer and the proration factor, if any. If we are unable to promptly determine the proration factor, we will announce the preliminary results. We will pay for all Gilat shares accepted for payment pursuant to the offer promptly following the calculation of the proration factor. We expect to make such payment within four U.S. business days following the Final Expiration Date.

Under Israeli law, once we announce, following the completion of the Initial Offer Period, that the offer has been accepted, or, in other words, that all the conditions of the offer have been satisfied or, subject to applicable law, waived by us, no further conditions of the offer would apply and we will become irrevocably bound to purchase the Gilat shares validly tendered pursuant to the offer and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date (subject to proration, if any).

Subject to applicable laws and regulations, if any condition has not been satisfied as of the Initial Completion Date, we may decide to:

- extend the Initial Offer Period (except that, pursuant to the Israeli Securities Law, we must generally provide notice to that effect at least one Israeli business day prior to the Initial Completion Date) and, subject to applicable withdrawal rights until the Initial Completion Date, retain all tendered Gilat shares until the Final Expiration Date;
- if the only conditions that have not been satisfied are one or more of the conditions set forth in clause (b) of Section 11, waive such condition(s) and, subject to proration, accept for payment and promptly pay for all Gilat shares validly tendered and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date; or
- terminate the offer and not accept for payment or pay for any Gilat shares and promptly return all tendered Gilat shares to tendering shareholders.

Under Israeli law, however, the offer may not remain open for more than 60 days following the date of this offer to purchase, except that if a third party commences a tender offer for Gilat shares during the Initial Offer Period, we will be permitted to extend the Initial Offer Period so that the Initial Completion Date will correspond with the expiration date of the third party's tender offer. We will not, however, provide for a subsequent offering period as permitted pursuant to Rule 14d-11 under the Exchange Act.

In the event that we extend the Initial Offer Period, we will inform the Depositories, the Information Agent and our Israeli legal counsel of that fact. Under Israeli law, we are required to publicly announce the new expiration date no later than one Israeli business day prior to the Initial Completion Date. Accordingly, we will also:

- file an immediate report with the ISA no later than one Israeli business day prior to the Initial Completion Date, and, within one Israeli business day thereafter (or within two business days, in the event our decision to extend the Initial Offer Period was made toward the late evening hours, Israel time, on one Israeli business day prior to the Initial Completion Date), publish the notice in two daily newspapers having a mass circulation and published in Israel in Hebrew and one daily newspaper with national circulation in the United States; and
- issue a press release announcing a new Initial Completion Date no later than 9:00 a.m., New York time, or 4:00 p.m., Israel time, on the first U.S. business day following the day on which we decide to extend the Initial Offer Period.

Without limiting the manner in which we may choose to make any public announcement, subject to applicable law (including Rule 14e-1(d) and Rule 14d-4(d) under the Exchange Act, which require that material changes be promptly disseminated to holders of Gilat shares in a manner reasonably designed to inform such holders of such changes), we

currently intend to make announcements regarding the offer by distributing a press release to “Globe Newswire” and publishing the aforesaid notices in two daily Israeli newspapers and one daily newspaper with national circulation in the United States.

Under Israeli law, however, we will not be permitted to extend the Initial Offer Period, unless either (1) the Israeli Depository, which guarantees our obligation to pay for the Gilat shares, confirms that, under the new circumstances, it will maintain such guarantee or (2) such a guarantee is obtained by us from another TASE member.

If we make a material change in the terms of the offer (as may be permitted under applicable law) or in the information concerning the offer, or if we waive a material condition to the offer (if permitted pursuant to the Exchange Act, the rules of the SEC and the Israeli Securities Law), we will extend the Initial Offer Period to the extent required by the Exchange Act, the rules of the SEC and the Israeli Securities Law.

This offer to purchase, the Letter of Transmittal and the other related documents to be furnished will be mailed to the record holders of Gilat shares whose names appear as of the date of this offer to purchase on Gilat’s shareholder list. They will also be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear as of the date of this offer to purchase on the shareholder list or, if applicable, who are listed as of the date of this offer to purchase as participants in a clearing agency’s security position listing, for subsequent transmittal to beneficial owners of Gilat shares.

## **2. ACCEPTANCE FOR PAYMENT AND PAYMENT.**

**General.** According to Israeli law, to secure the payment for the Gilat shares tendered pursuant to the offer, the Israeli Depository, which is a TASE member, has agreed to guarantee our obligation to pay for the Gilat shares tendered and accepted by us for payment pursuant to the offer. To secure this guarantee, we have engaged the Israeli Depository to act as an escrow agent and have deposited cash into an escrow account in an amount sufficient to pay for the maximum number of Gilat shares that we are offering to purchase in the offer.

Promptly following the Final Expiration Date and upon the terms and subject to the conditions of the offer (including, if the Initial Offer Period is extended or the offer is otherwise amended, the terms and conditions of any such extension or amendment), subject to proration, we will accept for payment and, subject to any applicable withholding tax duties, pay, from the funds deposited into escrow, for all Gilat shares validly tendered prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date and not properly withdrawn in accordance with Section 4. We expect to make such payment, including in the event that proration of tendered Gilat shares is required, within four U.S. business days following the Final Expiration Date. Please see Section 1.

**In all cases, we will pay for Gilat shares validly tendered and accepted for payment pursuant to the offer only after timely receipt by the Depositories of the required documents to substantiate a valid tender, as set forth in Section 3.**

For purposes of the offer, we will be deemed to have purchased Gilat shares that have been validly tendered and not properly withdrawn if and when we give oral or written notice to the Depositories of our acceptance for payment of Gilat shares pursuant to the offer. Upon the terms and subject to the conditions of the offer, payment for the Gilat shares will be made by the Depositories.

**Under no circumstances will interest be paid on the purchase price to be paid, regardless of any extension of the offer or any delay in making payment.**

If, pursuant to the terms and conditions of the offer, we do not accept tendered Gilat shares for payment for any reason or if certificates are submitted representing more Gilat shares than are tendered (including by reason of proration), certificates evidencing unpurchased Gilat shares will be returned to the tendering shareholder (or, in the case of Gilat shares tendered by book-entry transfer pursuant to the procedure set forth in Section 3, the Gilat shares will be credited to the relevant account), promptly following the expiration, termination or withdrawal of the offer.

**Form of Payment.** All shareholders tendering their Gilat shares to either the U.S. Depository or the Israeli Depository will be paid solely in U.S. dollars.

**Withholding Tax.** Please note that under the “Backup Withholding” provisions of U.S. federal income tax law, the U.S. Depository may be required to withhold tax, at applicable rates (currently 28.0%), on amounts received by a tendering

shareholder or other payee pursuant to the offer. To prevent such withholding from the purchase price received for Gilat shares tendered pursuant to the offer to the U.S. Depository, each tendering shareholder who does not otherwise establish an exemption from such withholding, must properly complete the Substitute Form W-9 included in the Letter of Transmittal. See Section 5.

Also, under the “withholding tax” provisions of Israeli income tax law, the gross proceeds payable to a tendering shareholder in the offer generally will be subject to Israeli withholding tax. However, based on an approval that we received from the ITA:

(1) tendering shareholders who acquired their Gilat shares after Gilat’s initial public offering on Nasdaq in 1993 and who certify that they are non-Israeli residents (and, in the case of a corporation, that no Israeli resident(s) (x) holds 25.0% or more of the means of control of such corporation or (y) is the beneficiary of, or is entitled to, 25.0% or more of the revenues or profits of such corporation, whether directly or indirectly), will not be subject to Israeli withholding tax; and

(2) payments to tendering shareholders who acquired their Gilat shares after Gilat’s initial public offering on Nasdaq in 1993 and who hold their Gilat shares through an Israeli broker or Israeli financial institution will be made by us without any Israeli withholding at source, and the relevant Israeli broker or Israeli financial institution will withhold Israeli tax, if any, as required by Israeli law.

The approval does not address shareholders who are not described in clauses (1) and (2) above, and therefore they will be subject to Israeli withholding tax at the applicable rate of the gross proceeds payable to them pursuant to the offer, as prescribed by Israeli tax law.

See Section 5 and the Letter of Transmittal for instructions on how to prevent us from withholding Israeli income tax from the gross proceeds payable to you (if any) pursuant to the offer.

### **3. PROCEDURES FOR TENDERING SHARES OR NOTIFYING US OF YOUR OBJECTION TO THE OFFER.**

#### ***Overview***

Shareholders who are named in the Register of Shareholders of Gilat in Israel, and who wish to tender their Gilat shares or object to the offer, should do so through the Israeli Depository. We refer to these shareholders below as Listed Holders. Shareholders who hold their Gilat shares through a TASE member, and who wish to tender their Gilat shares or object to the offer, also should do so through the Israeli Depository. We refer to these shareholders below as Unlisted Holders. See “***Tenders to Bank of Jerusalem Ltd., our Israeli Depository***” below for instructions.

All other holders of Gilat shares should tender their Gilat shares to, or object to the offer through, the U.S. Depository pursuant to the instructions described under the caption “***Tenders to American Stock Transfer & Trust Company, our U.S. Depository***” below.

**You may only tender your Gilat shares or object to the offer by following the procedures described in this Section 3. You may not tender your Gilat shares using a guaranteed delivery procedure.**

#### ***Tenders to American Stock Transfer & Trust Company, our U.S. Depository***

**Eligibility; Who May Tender to, or Object to the Offer through, the U.S. Depository.** Shareholders who are not Unlisted Holders or Listed Holders should tender their Gilat shares to, or object to the offer through, the U.S. Depository.

**Valid Tender.** In order for you to validly tender Gilat shares pursuant to the offer, a properly completed and duly executed Letter of Transmittal, together with any required signature guarantees, or in the case of a book-entry transfer, an agent’s message, and any other documents required by the Letter of Transmittal, must be received by the U.S. Depository at its address set forth on the back cover of this offer to purchase prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date or Final Expiration Date, as applicable. In addition, certificates evidencing tendered Gilat shares must be received by the U.S. Depository at its address or the shares must be delivered to the U.S. Depository (including an agent’s message if you did not deliver a Letter of Transmittal), in each case prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date or Final Expiration Date, as applicable.

The term “agent’s message” means a message, transmitted by The Depository Trust Company, or DTC, to, and received

by, the U.S. Depositary and forming part of the Book-Entry Confirmation that states that DTC has received an express acknowledgement from the participant in DTC tendering the Gilat shares that are the subject of the Book-Entry Confirmation, that the participant has received and agrees to be bound by the Letter of Transmittal and that we may enforce that agreement against that participant.

If certificates evidencing tendered Gilat shares are forwarded to the U.S. Depositary in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each delivery. No alternative, conditional or contingent tenders will be accepted and no fractional Gilat shares will be purchased.

**The method of delivery of share certificates and all other required documents, including through DTC, is at your option and risk, and the delivery will be deemed made only when actually received by the U.S. Depositary. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

**Book-Entry Transfer.** The U.S. Depositary will establish an account with respect to the Gilat shares at DTC for purposes of the offer within two U.S. business days after the date of this offer to purchase. Any financial institution that is a participant in the system of DTC may make book-entry delivery of Gilat shares by causing DTC to transfer such Gilat shares into the U.S. Depositary's account at DTC in accordance with DTC's procedures. However, although delivery of Gilat shares may be effected through book-entry transfer into the U.S. Depositary's account at DTC, the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to, and received by, the U.S. Depositary at its address set forth on the back cover of this offer to purchase prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date or Final Expiration Date, as applicable. Delivery of the documents to DTC or any other party does not constitute delivery to the U.S. Depositary.

**Signature Guarantees.** Signatures on all Letters of Transmittal must be guaranteed by a firm that is a member of the Securities Transfer Agents Medallion Program, or by any other "eligible guarantor institution," as that term is defined in Rule 17Ad-15 under the Exchange Act, except in cases where Gilat shares are tendered:

- by a registered holder of Gilat shares who has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal; or
- for the account of an eligible guarantor institution.

If a share certificate is registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made, or a share certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the tendered certificate must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear on the certificate, with the signature(s) on the certificate or stock powers guaranteed by an eligible guarantor institution. See Instruction 1 and Instruction 5 to the Letter of Transmittal.

**Condition to Payment.** In all cases, payment for Gilat shares tendered and accepted for payment pursuant to the offer will be made only after timely receipt by the U.S. Depositary of the certificate(s) evidencing Gilat shares, or a timely Book-Entry Confirmation for the delivery of Gilat shares, the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other documents required by the Letter of Transmittal.

The valid tender of Gilat shares pursuant to the applicable procedure described above will constitute a binding agreement between you and us upon the terms and subject to the conditions of the offer.

**Appointment.** By executing the Letter of Transmittal as set forth above (including delivery by way of an agent's message), you irrevocably appoint our designees as your agents, attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of your rights with respect to the Gilat shares you tendered. These powers of attorney and proxies will be considered coupled with an interest in the tendered Gilat shares. The appointment will be effective if, as and when, and only to the extent that, we accept your Gilat shares for payment. Upon our acceptance for payment, all prior powers of attorney, proxies and consents given by you with respect to such Gilat shares (and any and all Gilat shares or other securities issued or issuable in respect of your Gilat shares) will be revoked, without further action, and no subsequent powers of attorney or proxies may be given nor any subsequent written consent executed by

you (and, if given or executed, will not be deemed effective). Our designees will, with respect to the Gilat shares for which the appointment is effective, be empowered to exercise all of your voting and other rights as they in their sole discretion may deem proper at any annual or special meeting of Gilat's shareholders or any adjournment or postponement of that meeting, by written consent in lieu of any meeting or otherwise. We reserve the right to require that, in order for Gilat shares to be deemed validly tendered, immediately upon our payment for the Gilat shares, we must be able to exercise full voting rights with respect to the Gilat shares at any meeting of Gilat's shareholders with a record date subsequent to the consummation of the offer (and at any meeting of Gilat's shareholders with a record date prior to the consummation of the offer if such Gilat shares were held by such tendering shareholder as of such record date).

**Objecting to the Offer.** If you want to notify us of your objection to the offer with respect to all or any portion of your Gilat shares, and you hold such Gilat shares through a broker, dealer, commercial bank, trust company or other nominee, you should request such broker, dealer, commercial bank, trust company or other nominee to provide on your behalf the Notice of Objection to the U.S. Depository prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date.

**We will disregard any Notices of Objection received by the U.S. Depository after such deadline.** In addition, if you submit a Notice of Objection with respect to Gilat shares and thereafter you deliver a Letter of Transmittal by which you tender those Gilat shares, we will disregard your Notice of Objection. Similarly, if you submit a Letter of Transmittal by which you tender Gilat shares, and thereafter you deliver to us a Notice of Objection with respect to those Gilat shares, we will disregard your Letter of Transmittal. If you submit a Letter of Transmittal and a Notice of Objection concurrently with respect to the same Gilat shares, we will disregard the Notice of Objection.

**Withdrawing your Objection.** You may withdraw a previously submitted Notice of Objection at any time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date. For a withdrawal to be effective, a written notice of withdrawal must be timely received by the U.S. Depository at its address set forth on the back cover of this offer to purchase. Any notice of withdrawal must specify the name of the person(s) who submitted the Notice of Objection to be withdrawn and the number of Gilat shares to which the Notice of Objection to be withdrawn relates. Following the withdrawal of a Notice of Objection, a new Notice of Objection may be submitted at any time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date by following the procedures described above.

If, with respect to all or any portion of your Gilat shares, you object to the offer during the Initial Offer Period and the conditions to the offer have been satisfied or, subject to applicable law, waived by us, you may tender such Gilat shares during the Additional Offer Period. See Section 1 and Section 11.

**Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Gilat shares or Notice of Objection will be determined by us, in our sole discretion.** We reserve the absolute right to reject any or all tenders or Notices of Objection that we determine not to be in proper form or, in the case of tenders, the acceptance for payment of which may be unlawful. **A tender of Gilat shares or Notice of Objection will not have been made until all defects and irregularities have been cured or waived. None of us, our affiliates, our assigns, the Depositories, the Information Agent, our Israeli legal counsel or any other person will be under any duty to give notification of any defects or irregularities in tenders of Gilat shares or Notices of Objection or incur any liability for failure to give any notification.**

If you tender your Gilat shares pursuant to the applicable procedure described above, it will constitute your acceptance of the terms and conditions of the offer, as well as your representation and warranty to us that:

- you have the full power and authority to tender, sell, assign and transfer the tendered Gilat shares (and any and all Gilat shares or other securities issued or issuable in respect of your Gilat shares); and
- when we accept your Gilat shares for payment, we will acquire good and unencumbered title to your Gilat shares, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

#### ***Tenders to Bank of Jerusalem Ltd., our Israeli Depository***

**Eligibility; Who May Tender to, or Object to the Offer through, the Israeli Depository.** Shareholders who are either Listed Holders or Unlisted Holders should tender their Gilat shares to, or object to the offer through, the Israeli Depository. All other shareholders should tender to the U.S. Depository, as described above.

**Valid Tender.**

- By Unlisted Holders: in order for an Unlisted Holder to validly tender Gilat shares in the offer to the Israeli Depositary, such Unlisted Holder must notify the Israeli Depositary, via the TASE member with which its securities deposit is managed, of its tender by delivery of an Acceptance Notice of an Unlisted Holder to the TASE member, duly signed by the Unlisted Holder or its duly authorized attorney-in-fact.

An Acceptance Notice of an Unlisted Holder must be submitted to a TASE member with which the securities deposit of the Unlisted Holder is being managed, on an Israeli business day, generally between the hours of 9:00 a.m. and 5:00 p.m., Israel time (2:00 a.m. and 10:00 a.m., New York time), during the Initial Offer Period or Additional Offer Period, as applicable. We recommend that you check at what time you may submit the Acceptance Notice with the TASE member with which your securities deposit is managed.

An Unlisted Holder who wishes to submit an Acceptance Notice at any time on the Final Expiration Date must send an Acceptance Notice to the Israeli Depositary at its address set forth on the back cover of this offer to purchase. We refer to this as the Late Acceptance Notice of an Unlisted Holder. The Late Acceptance Notice of an Unlisted Holder will be valid only if the Unlisted Holder properly completes and submits a copy of such Acceptance Notice to the TASE member with which its securities deposit is managed by the following Israeli business day by 9:30 a.m., Israel time (2:30 a.m., New York time), and provided that such TASE member provides the Israeli Depositary with an additional Acceptance Notice of TASE Member (as described below), by that same day by 11:00 a.m., Israel time (4:00 a.m., New York time).

Each of the TASE members is required to deliver to the Israeli Depositary, at its address set forth on the back cover of this offer to purchase, on the Initial Completion Date and again on the Final Expiration Date, one Acceptance Notice of TASE Member, representing all Acceptance Notices delivered to such TASE member by any Unlisted Holder. In addition, each TASE member is required to deliver to the Israeli Depositary, if applicable, an additional Acceptance Notice of TASE Member, if such TASE member receives, in a timely manner, any Late Acceptance Notices of an Unlisted Holder.

If the conditions of the offer are satisfied or, subject to applicable law, waived by us, the purchase price for the Gilat shares validly tendered pursuant to the offer and accepted by us for payment will be transferred to the Unlisted Holder by the Israeli Depositary promptly following the Final Expiration Date, by crediting within four U.S. business days following the Final Expiration Date the Unlisted Holder's bank account according to the particulars given to the Israeli Depositary through the relevant TASE member.

If any condition to the offer is not satisfied prior to the Initial Completion Date and not waived by us, or if we withdraw the offer, we will promptly return all the Acceptance Notices to the TASE members (and through them, to the Unlisted Holders) via the Israeli Depositary.

- By Listed Holders: in order for a Listed Holder to validly tender Gilat shares in the offer to the Israeli Depositary, such Listed Holder must deliver, prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date or Final Expiration Date, as applicable, (1) a share certificate or share certificates representing its Gilat shares accompanied by (2) an Acceptance Notice of a Listed Holder duly signed by the Listed Holder or its duly authorized attorney-in-fact. A Listed Holder must deliver the share certificate(s) and the accompanying Acceptance Notice of Listed Holder to the Israeli Depositary at its address set forth on the back cover of this offer to purchase. Delivery of the documents described above to the Israeli Depositary will be made against a certificate of receipt given by the Israeli Depositary during normal business hours. The Israeli Depositary will hold all documents delivered to it by Listed Holders as trustee until the Final Expiration Date.

If the conditions of the offer are satisfied or, subject to applicable law, waived by us, the purchase price for the Gilat shares validly tendered pursuant to the offer and accepted by us for payment will be transferred to a Listed Holder by the Israeli Depositary promptly following the Final Expiration Date, by crediting within four U.S. business days following the Final Expiration Date the Listed Holder's bank account according to the particulars delivered to the Israeli Depositary.

If any condition to the offer is not satisfied prior to the completion of the Initial Offer Period and not waived by us, or if we withdraw the offer, we will promptly return to the Listed Holders, via the Israeli Depositary, all the

Acceptance Notices, share certificates and other documentation attached to the Acceptance Notices delivered by the respective Listed Holders.

The valid tender of Gilat shares pursuant to the applicable procedure described above will constitute a binding agreement between you and us upon the terms and subject to the conditions of the offer.

**Objecting to the Offer.** If you want to notify us of your objection to the offer with respect to all or any portion of your Gilat shares, and:

- you are an Unlisted Holder with respect to such Gilat shares, you must notify us, through the TASE member, of your objection to the offer by delivering the Notice of Objection to the TASE member duly signed by you or your duly authorized attorney-in-fact. We refer to this as the Notice of Objection of an Unlisted Holder.

Each of the TASE members is required to deliver to the Israeli Depositary, at its address set forth on the back cover of this offer to purchase, prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date, one Notice of Objection, referred to as the Notice of Objection of TASE Member, representing all Notices of Objection delivered by each Unlisted Holder to such TASE member; or

- you are a Listed Holder with respect to such Gilat shares, you must notify us, through the Israeli Depositary, of your objection to the offer by delivering the Notice of Objection to the Israeli Depositary at its address set forth on the back cover of this offer to purchase, duly signed by you, prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date. Delivery of the documents set forth above to the Israeli Depositary will be made against a certificate of receipt given by the Israeli Depositary.

**We will disregard any Notices of Objection (whether Notices of Objection of TASE Members or Notices of Objection of Listed Holders) received by the Israeli Depositary after such deadline.** In addition, if you (or the TASE member on your behalf) submit a Notice of Objection with respect to Gilat shares and thereafter you (or the TASE member on your behalf) deliver an Acceptance Notice by which you tender those Gilat shares, we will disregard your Notice of Objection. Similarly, if you (or the TASE member on your behalf) submit an Acceptance Notice by which you tender Gilat shares, and thereafter you (or the TASE member on your behalf) deliver to us a Notice of Objection with respect to those Gilat shares, we will disregard your Acceptance Notice. If you (or the TASE member on your behalf) submit an Acceptance Notice and a Notice of Objection concurrently with respect to the same Gilat shares, we will disregard the Notice of Objection.

**Withdrawing your Objection.** You may withdraw a previously submitted Notice of Objection at any time prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date, as follows:

- if you are an Unlisted Holder, you may withdraw your Notice of Objection by delivering to the TASE member to which you delivered your Notice of Objection, a copy of the Notice of Objection which was delivered by you, marked "Notice of Objection Cancelled" and accompanied by the date and time of delivery of your Notice of Objection to the TASE member, and your signature or the signature of your duly authorized attorney-in-fact; and
- if you are a Listed Holder, you may withdraw your Notice of Objection by delivering to the Israeli Depositary a copy of the Notice of Objection which was delivered by you, marked "Notice of Objection Cancelled," accompanied by the date and time of delivery of your Notice of Objection to the Israeli Depositary, and your signature or the signature of your duly authorized attorney-in-fact, and by returning the certificate of receipt to the Israeli Depositary.

Following the withdrawal of a Notice of Objection, a new Notice of Objection may be submitted at any time prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date by following the procedures described above.

If, with respect to all or any portion of your Gilat shares, you object to the offer during the Initial Offer Period and the conditions of the offer have been satisfied or, subject to applicable law, waived by us, you may tender such Gilat shares during the Additional Offer Period, if applicable. See Section 1 and Section 11.

**Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Gilat shares or Notice of Objection will be determined by us, in our sole**

**discretion.** We reserve the absolute right to reject any or all tenders or Notices of Objection that we determine not to be in proper form or, in the case of tenders, the acceptance for payment of which may be unlawful. A tender of Gilat shares or Notice of Objection will not have been made until all defects and irregularities have been cured or waived. None of us, our affiliates, our assigns, the Depositaries, the Information Agent, our Israeli legal counsel or any other person will be under any duty to give notification of any defects or irregularities in tenders or Notices of Objection or incur any liability for failure to give any notification.

If you tender your Gilat shares pursuant to the applicable procedure described above, it will constitute your acceptance of the terms and conditions of the offer, as well as your representation and warranty to us that:

- you have the full power and authority to tender, sell, assign and transfer the tendered Gilat shares (and any and all Gilat shares or other securities issued or issuable in respect of your Gilat shares); and
- when we accept your Gilat shares for payment, we will acquire good and unencumbered title to your Gilat shares, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

#### **4. WITHDRAWAL RIGHTS**

You may withdraw previously tendered Gilat shares at any time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, **but not during the Additional Offer Period (see Section 1 and Section 11).** In addition, under U.S. law, tendered Gilat shares may be withdrawn at any time after 60 days from the date of the commencement of the offer if the Gilat shares have not yet been accepted for payment by us. If we extend the Initial Offer Period, delay our acceptance for payment of Gilat shares or are unable to accept Gilat shares for payment pursuant to the offer for any reason, then, without prejudice to our rights under the offer but subject to applicable law, the Depositaries may, nevertheless, on our behalf, retain tendered Gilat shares, and those Gilat shares may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as described in this Section 4. However, our ability to delay the payment for Gilat shares that we have accepted for payment is limited by applicable law, including Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of security holders promptly after the termination or withdrawal of such bidder's offer. Any delay will be by an extension of the offer to the extent required by law.

##### ***Withdrawal procedure for tenders to American Stock Transfer & Trust Company, our U.S. Depositary***

If you tendered your Gilat shares to the U.S. Depositary, for a withdrawal to be effective, a written notice of withdrawal must be timely received by the U.S. Depositary at the address set forth on the back cover of this offer to purchase. Any notice of withdrawal must specify the name of the person who tendered the Gilat shares to be withdrawn, the number of Gilat shares to be withdrawn and the name of the registered holder of the Gilat shares, if different from the name of the person who tendered the Gilat shares. If certificates evidencing Gilat shares to be withdrawn have been delivered or otherwise identified to the U.S. Depositary, then, prior to the physical release of the certificates, the serial numbers shown on the certificates must be submitted to the U.S. Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the Gilat shares have been tendered for the account of an eligible guarantor institution. If Gilat shares have been delivered pursuant to the procedures for book-entry transfer as set forth in Section 3, any notice of withdrawal must also specify the name and number of the account at DTC to be credited with the withdrawn Gilat shares and otherwise comply with DTC's procedures.

Withdrawals of tendered Gilat shares may not be rescinded. If you have properly withdrawn your Gilat shares, they will be deemed not to have been validly tendered for purposes of the offer. However, withdrawn Gilat shares may be re-tendered at any time prior to 10:00 a.m., New York time (5:00 p.m., Israel Time), on the Final Expiration Date by following the applicable procedure described in Section 3.

##### ***Withdrawal procedure for tenders to Bank of Jerusalem Ltd., our Israeli Depositary***

If you tendered your shares to the Israeli Depositary, you may withdraw your shares as follows:

- if you are an Unlisted Holder, you may withdraw your Gilat shares at any time prior to 5:00 p.m., Israel time (10:00 a.m., New York time) on the Initial Completion Date, by delivering to the TASE member to which you delivered your Acceptance Notice, a copy of the Acceptance Notice of an Unlisted Holder which was delivered by you, marked "Acceptance Notice Cancelled" and accompanied by the date and time of delivery of your Acceptance

Notice to the TASE member, and your signature or the signature of your duly authorized attorney-in-fact; and

- if you are a Listed Holder, you may withdraw your Gilat shares by delivering to the Israeli Depositary a copy of the Acceptance Notice of a Listed Holder which was delivered by you, marked “Acceptance Notice Cancelled,” accompanied by the date and time of delivery of your Acceptance Notice to the Israeli Depositary, and your signature or the signature of your duly authorized attorney-in-fact, and by returning the certificate of receipt to the Israeli Depositary. Promptly thereafter, the Israeli Depositary will return to you the share certificate(s) and Acceptance Notice delivered to the Israeli Depositary by you. Withdrawal of an Acceptance Notice by a Listed Holder may only be performed by delivering the cancelled Acceptance Notice to the Israeli Depositary at its address set forth on the back cover of this offer to purchase, at any time prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Initial Completion Date.

Withdrawals of tendered Gilat shares may not be rescinded. If you have properly withdrawn your Gilat shares, they will be deemed not to have been validly tendered for purposes of the offer. However, withdrawn Gilat shares may be re-tendered at any time prior to 5:00 p.m., Israel time (10:00 a.m., New York time), on the Final Expiration Date by following the applicable procedure described in Section 3.

#### ***Determination of Validity***

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by us, in our sole discretion, subject to applicable law. None of us or our affiliates or assigns, the Depositaries, the Information Agent, our Israeli legal counsel or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

### **5. MATERIAL U.S. FEDERAL INCOME TAX AND ISRAELI INCOME TAX CONSEQUENCES.**

#### **Certain Material U.S. Federal Income Tax Consequences.**

*U.S. Holders.* The following discussion summarizes certain material U.S. federal income tax consequences of the offer applicable to the shareholders of Gilat who are U.S. Holders and whose Gilat shares are tendered and accepted for payment pursuant to the offer. A “U.S. Holder” means a holder of Gilat shares who is:

- a citizen or resident of the U.S.;
- a corporation or other entity taxable as a corporation for U.S. federal income tax purposes created or organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (A) if a court within the U.S. is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or (B) if, in general, it was in existence on August 20, 1996, was treated as a U.S. person under the Code on the previous day and made a valid election to continue to be so treated.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, referred to as the Code, current and proposed Treasury regulations promulgated under the Code, administrative pronouncements and judicial decisions and interpretations as of the date hereof, all of which are subject to differing interpretations or change, which change may apply retroactively and could materially affect the continued validity of this summary and the tax consequences described in this Section 5. Subject to the discussion set forth below under the heading entitled “*Characterization of the Purchase if Gilat is a Passive Foreign Investment Company*,” this discussion assumes that Gilat is not and has never been a “passive foreign investment company,” “controlled foreign corporation,” “foreign investment company” or “foreign personal holding company” for U.S. federal income tax purposes.

This discussion addresses only Gilat shares that are held as capital assets within the meaning of Section 1221 of the Code. No ruling has been or will be sought from the U.S. Internal Revenue Service, or IRS, and no opinion of counsel has been or will be rendered, as to the U.S. federal income tax consequences of the offer. This discussion does not address all of the tax consequences that may be relevant to shareholders in light of their particular circumstances or certain types of shareholders subject to special treatment, including, without limitation:

- regulated investment companies;
- broker-dealers (including in securities or foreign currency) or insurance companies;
- persons who have elected to apply a mark-to-market method of accounting;
- certain former citizens or former long-term residents of the United States;
- tax-exempt organizations or retirement plans;
- persons subject to the alternative minimum tax;
- banks and other financial institutions;
- persons who hold their Gilat shares as part of a position in a straddle or as part of a hedging, conversion, constructive sale, synthetic security, or other integrated investment;
- holders who received their Gilat shares through the exercise of employee stock options or otherwise as compensation;
- partnerships or other pass-through entities or persons who hold their Gilat shares through partnerships or other pass-through entities;
- holders who within the five-year period prior to the offer owned directly, indirectly or by attribution at least 10.0% of the voting power of Gilat; and
- persons whose functional currency is not the U.S. dollar.

In addition, this summary does not discuss any foreign, state, or local tax consequences or any U.S. tax consequences (e.g., estate or gift tax) relevant to U.S. Holders other than U.S. federal income tax consequences.

**WE RECOMMEND THAT GILAT SHAREHOLDERS WHO ARE U.S. HOLDERS CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OFFER TO THEM, INCLUDING THE EFFECTS OF APPLICABLE STATE, LOCAL, FOREIGN OR OTHER TAX LAWS AND POSSIBLE CHANGES IN THE TAX LAWS. FOR A DISCUSSION OF CERTAIN ISRAELI INCOME TAX CONSEQUENCES, SEE BELOW UNDER “CERTAIN MATERIAL ISRAELI TAX CONSEQUENCES.”**

*Characterization of the Purchase if Gilat is not a Passive Foreign Investment Company.* The receipt of cash for Gilat shares pursuant to the offer will be treated as a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder who sells Gilat shares pursuant to the offer will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received and the U.S. Holder's adjusted tax basis in the Gilat shares sold pursuant to the offer. Gain or loss will be determined separately for each block of Gilat shares (i.e., Gilat shares acquired at the same cost in a single transaction) tendered pursuant to the offer. The gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Gilat shares for more than one year at the time of the consummation of the offer. Special limitations apply to the use of capital losses.

*Characterization of the Purchase if Gilat is a Passive Foreign Investment Company.* In general, a non-U.S. corporation will be classified as a passive foreign investment company within the meaning of Section 1297(a) of the Code (“PFIC”) if, for any taxable year, at least 75% of its gross income consists of passive income (such as dividends, interest, rents, royalties, or gains on certain securities or commodities transactions), or at least 50% of the average value of its assets consists of assets that produce or are held for the production of, passive income. Gilat's Form 20-F for the fiscal year ended December 31, 2013 states that Gilat does not believe that it is currently a PFIC, nor does it expect to become a PFIC in the future. However, because the determination of PFIC status is a factual determination that must be made annually at the close of each taxable year, there is no assurance that Gilat is not a PFIC.

In general, if Gilat were characterized as a PFIC for any taxable year during a U.S. Holder's period of ownership, any

gain recognized by such U.S. Holder who sells Gilat shares pursuant to the offer would be treated as ordinary income and would be subject to tax as if the gain had been realized ratably over the holding period of the Gilat shares. The amount allocated to the current taxable year and any taxable year with respect to which Gilat was not a PFIC would be taxed as ordinary income (rather than capital gain) earned in the current taxable year. The amount allocated to other taxable years would be taxed at the highest marginal rates applicable to ordinary income for such taxable years, and the U.S. Holder also would be liable for an additional tax equal to the interest on such tax liability for such years. **We recommend that U.S. Holders consult their tax advisors regarding the potential application of the PFIC rules to the sale of Gilat shares pursuant to the offer.**

*Information Reporting and Backup Withholding.* Payments made by the U.S. Depositary in connection with the offer may be subject to information reporting to the IRS and possible backup withholding. Under the U.S. federal backup withholding tax rules, 28.0% of the gross proceeds payable to a shareholder or other payee pursuant to the offer must be withheld and remitted to the U.S. Treasury, unless the U.S. Holder (or other payee) who tenders its Gilat shares to the U.S. Depositary provides such shareholder's (or other payee's) taxpayer identification number (employer identification number or social security number) to the U.S. Depositary and otherwise complies with the backup withholding rules. Each U.S. Holder tendering its shares to the U.S. Depositary should complete and sign the Substitute Form W-9 included as part of the Letter of Transmittal in order to provide the information and certificate necessary to avoid backup withholding.

Amounts withheld under the backup withholding rules are not an additional tax and may be refunded or credited against the U.S. holders' federal income tax liability, provided the required information is furnished to the IRS.

#### **Certain Material Israeli Tax Consequences.**

The following discussion summarizes the material Israeli tax consequences of the offer applicable to Gilat's shareholders whose Gilat shares are tendered and accepted for payment pursuant to the offer. The following discussion is based on the Israeli Income Tax Ordinance [New Version], 1961, as amended, or the Ordinance, the regulations promulgated thereunder, administrative rulings and pronouncements, all of which are subject to change, possibly with retroactive effect. Any such change could alter the tax consequences discussed below. There can be no assurance that the Israeli Tax Authority, or the ITA, or a court will not take a position contrary to the Israeli income tax consequences discussed herein or that any such contrary position taken by the ITA or a court would not be sustained. This discussion addresses only Gilat shares that are held as capital assets (generally, assets held for investment) within the meaning of the Ordinance. This discussion does not address all of the tax consequences that may be relevant to shareholders in light of their particular circumstances or certain types of shareholders subject to special treatment.

**The tax discussion set forth below is based on present law. Because individual circumstances may differ, we recommend that you consult your tax advisors to determine the applicability of the rules discussed below to you and the particular tax effects of the offer, including the application of Israeli or other tax laws.**

**The summary below does not discuss the effects of any non-Israeli tax laws. For a discussion of certain U.S. federal income tax consequences, see above under "Certain Material U.S. Federal Income Tax Consequences."**

*Characterization of the Purchase.* The receipt of cash for Gilat shares pursuant to the offer generally will be treated as a taxable transaction for Israeli income tax purposes in which a holder of Gilat shares will be treated as having sold such Gilat shares.

*Israeli Residents.* Israeli law generally imposes a capital gains tax on a sale or disposition of any capital assets by Israeli residents, as defined for Israeli tax purposes, and on the sale of assets located in Israel, including shares in Israeli companies (such as Gilat), by non-Israeli residents, unless a specific exemption is available or unless a tax treaty between Israel and the shareholder's country of residence provides otherwise.

*Tax Rates.* In general, pursuant to the Ordinance and the regulations promulgated thereunder, the tax rate applicable to capital gains derived from the sale of Gilat shares, whether listed on a stock market or not, is 25% for Israeli individuals. Additionally, if such shareholder is considered a "significant shareholder" at any time during the 12-month period preceding such sale, i.e., such shareholder holds directly or indirectly, including with others, at least 10% of any means of control in the company, the tax rate is 30%. Companies are subject to the corporate tax rate on capital gains derived from the sale of Gilat shares (currently 26.5%). However, the foregoing tax rates will not apply to: (i) dealers in securities; (ii) shareholders who acquired their Gilat shares prior to Gilat's initial public offering on Nasdaq (that may be subject to a different tax arrangement); and (iii) in some cases, shareholders who received their Gilat shares through the exercise of employee stock

options or otherwise as compensation.

*Non-Israeli residents.* Non-Israeli residents generally will be exempt from capital gains tax on the sale of their Gilat shares, provided that such shareholders did not acquire their Gilat shares prior to Gilat's initial public offering and that the gains are not attributed to a permanent establishment of such shareholders in Israel. However, non-Israeli corporations will not be entitled to such exemption if Israeli residents (i) have a controlling interest of 25.0% or more in such non-Israeli corporation, or (ii) are the beneficiary of, or are entitled to, 25.0% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly.

In addition, pursuant to the Convention between the Government of the United States of America and the Government of Israel with Respect to Taxes on Income, as amended, or the U.S.-Israel Tax Treaty, the sale, exchange or disposition of Gilat shares by a person who (i) holds the Gilat shares as a capital asset, (ii) qualifies as a resident of the United States within the meaning of the U.S.-Israel Tax Treaty, and (iii) is entitled to claim the benefits afforded to such U.S. resident by the U.S.-Israel Tax Treaty (such person is referred to as a U.S. Treaty Resident), generally will not be subject to Israeli capital gains tax unless such U.S. Treaty Resident held, directly or indirectly, Gilat shares representing 10% or more of the voting power of Gilat during any part of the 12-month period preceding the sale, exchange or disposition, subject to certain conditions, or the capital gains can be allocated to a permanent establishment of such U.S. Treaty Resident in Israel. If the exemption is not available, such sale, exchange or disposition would be subject to Israeli capital gains tax to the extent applicable. Under the U.S.-Israel tax Treaty, such U.S. Treaty Resident would be permitted to claim a credit for Israeli income tax against the U.S. federal income tax imposed on the disposition, subject to the limitations in the U.S. tax laws applicable to foreign tax credits.

*Israeli Withholding Tax.* An approval from the ITA was obtained with respect to the withholding tax rates applicable to shareholders as a result of the sale of Gilat shares pursuant to the offer. The approval provides, among other things, that:

(1) tendering shareholders who acquired their Gilat shares after Gilat's initial public offering on Nasdaq in 1993 and who certify that they are non-Israeli residents (and, in the case of corporations, that no Israeli residents (x) hold 25.0% or more of the means of control such corporations or (y) are the beneficiaries of, or are entitled to, 25.0% or more of the revenues or profits of such corporations, whether directly or indirectly), will not be subject to Israeli withholding tax; and

(2) payments to tendering shareholders who acquired their Gilat shares after Gilat's initial public offering on Nasdaq in 1993 and who hold their Gilat shares through an Israeli broker or Israeli financial institution will be made by us without any Israeli withholding at source, and the relevant Israeli broker or Israeli financial institution will withhold Israeli tax, if any, as required by Israeli law.

The approval does not address shareholders who are not described in clauses (1) and (2) above, and therefore they will be subject to Israeli withholding tax at the applicable rate of the gross proceeds payable to them pursuant to the offer, as prescribed by Israeli tax law.

More specifically, based on the approval, if a Gilat shareholder tenders its Gilat shares to:

- the U.S. Depositary, the U.S. Depositary may be required to withhold Israeli tax at the applicable rate of the gross proceeds payable to such shareholder pursuant to the offer, unless such shareholder, upon the terms and conditions set forth in the Letter of Transmittal, either:
  - certifies, by completing the Declaration Form (Declaration of Status for Israeli Income Tax Purposes), or the Declaration Form, included in the Letter of Transmittal or otherwise delivered to such shareholder, that (1) such shareholder is NOT a "resident of Israel" for purposes of the Ordinance, and if it is a corporation that is NOT a "resident of Israel" – that Israeli residents are NOT "controlling shareholders" (as defined under Section 68A of the Ordinance) of such corporation, nor are Israeli residents the beneficiaries of, and are not entitled to, 25.0% or more of such corporation's revenues or profits, whether directly or indirectly, or (2) such shareholder is a bank, broker or financial institution resident in Israel. In such case, the U.S. Depositary will not withhold any Israeli withholding tax from the gross proceeds payable to such shareholder pursuant to the offer; or
  - provide the U.S. Depositary, with a copy (which shall not constitute notice) to Naschitz, Brandes, Amir & Co., Advocates, our legal counsel in Israel, at its address set forth on the back cover of this offer to purchase, with a valid certificate from the ITA entitling such shareholder to an exemption or a specified withholding tax rate, referred to as the ITA Waiver. In such case, the U.S. Depositary will withhold Israeli withholding tax (or not withhold, if such shareholder is entitled to an exemption) from the gross proceeds payable to such shareholder

pursuant to the offer in accordance with such ITA Waiver; or

- the Israeli Depository, and such shareholder
  - holds its Gilat shares through a TASE member, such TASE member will withhold Israeli income tax, if applicable, at the rate of up to 20% of the gain realized by such shareholder from the sale of Gilat shares in the offer, in accordance with the Israeli Income Tax Regulations (Withholding from Consideration, Payment or Capital Gains on the Sale of a Security or Forward Transaction), 2002; or
  - is named as a holder of Gilat shares in the Register of Shareholders of Gilat in Israel, the Israeli Depository may be required to withhold Israeli tax at the applicable rate of the gross proceeds payable to such shareholder pursuant to the offer, unless such shareholder provides the Israeli Depository, with a copy (which shall not constitute notice) to Naschitz, Brandes, Amir & Co., Advocates, our legal counsel in Israel, at its address set forth on the back cover of this offer to purchase, with a valid ITA Waiver, in which case, the Israeli Depository will withhold Israeli withholding tax (or not withhold, if such shareholder is entitled to an exemption) from the gross proceeds payable to such shareholder pursuant to the offer in accordance with such ITA Waiver.

**We recommend that you consult your tax advisors regarding the application of Israeli income and withholding taxes (including eligibility for any withholding tax reduction or exemption, and the refund procedure).**

**Please note that if you tender your Gilat shares to the U.S. Depository and provide a Declaration Form, you also consent to the provision of such Declaration Form to us and to the ITA in case the ITA so requests for purposes of audit or otherwise.**

**All questions as to the validity, form or eligibility of any Declaration Form or ITA Waiver (including time of receipt) and, subject to applicable law, the withholding of Israeli taxes, will be determined by us, in our sole discretion.** We reserve the absolute right to reject any or all Declaration Forms or ITA Waivers that we determine not to be in proper form or pursuant to which the failure to withhold any Israeli taxes may be unlawful. We also reserve, subject to applicable law, the absolute right, in our sole discretion, to waive any defect or irregularity in any Declaration Form or ITA Waiver of any particular shareholder, whether or not similar defects or irregularities are waived in the case of other shareholders. None of us, our affiliates, our assigns, the Depositories, the Information Agent, our Israeli legal counsel or any other person will be under any duty to give notification of any defects or irregularities or incur any liability for failure to give any notification.

An excerpt of the definition of an Israeli resident in the Ordinance is attached as Annex B.

**The Israeli withholding tax is not an additional tax. Rather, the Israeli income tax liability of shareholders subject to Israeli withholding tax will be reduced by the amount of Israeli tax withheld. If Israeli withholding tax results in an overpayment of Israeli taxes, the holder may apply to the ITA in order to obtain a refund. However, no assurance is given as to whether and when the ITA will grant such refund.**

**The foregoing discussion is intended only as a summary and does not purport to be a complete analysis or description of all potential Israeli tax effects of a sale of shares pursuant to the offer. We recommend that Gilat shareholders consult their tax advisors concerning the Israeli and non-Israeli tax consequences to them of tendering their shares pursuant to the offer.**

## **6. PRICE RANGE OF THE SHARES ETC.**

Gilat shares are listed and traded on Nasdaq under the ticker symbol “GILT” and on the TASE. Gilat shares commenced trading on Nasdaq in April 1993 and on the TASE in February 2004.

The following table sets forth, for each of the fiscal quarters indicated, the high and low sale price per share on Nasdaq and the TASE as reported in published financial sources. All share prices on Nasdaq are reported in U.S. dollars and all share prices on the TASE are reported in NIS. On October 23, 2014, the prevailing exchange rate was \$1.00 for NIS 3.767.

Quarter	Nasdaq Global Select Market		The Tel Aviv Stock Exchange	
	High	Low	High	Low
<b>2012</b>				
First Quarter	\$4.21	\$3.77	NIS 15.86	NIS 14.08
Second Quarter	\$4.15	\$3.07	NIS 15.71	NIS 12.17
Third Quarter	\$4.08	\$2.35	NIS 15.97	NIS 9.746
Fourth Quarter	\$5.57	\$4.02	NIS 21.49	NIS 15.63
<b>2013</b>				
First Quarter	\$5.88	\$5.26	NIS 21.48	NIS 19.48
Second Quarter	\$5.72	\$5.20	NIS 20.94	NIS 18.80
Third Quarter	\$6.04	\$4.60	NIS 21.31	NIS 16.55
Fourth Quarter	\$5.24	\$4.17	NIS 18.66	NIS 14.43
<b>2014</b>				
First Quarter	\$5.59	\$4.63	NIS 19.32	NIS 16.27
Second Quarter	\$5.03	\$4.52	NIS 17.84	NIS 15.90
Third Quarter	\$5.11	\$4.58	NIS 18.63	NIS 15.74
Fourth Quarter (through October 23, 2014)	\$5.01	\$4.81	NIS 18.32	NIS 17.81

The following table sets forth, for each of the months indicated, the high and low closing sale price per share on Nasdaq and the TASE as reported in published financial sources. All share prices on Nasdaq are reported in U.S. dollars and all share prices on the TASE are reported in NIS. On October 23, 2014, the prevailing exchange rate was \$1.00 for NIS 3.767.

	NASDAQ GLOBAL SELECT MARKET		TEL AVIV STOCK EXCHANGE	
	HIGH	LOW	HIGH	LOW
October 2013	\$5.13	\$4.75	NIS 17.97	NIS 16.99
November 2013	\$5.24	\$4.44	NIS 18.66	NIS 15.64
December 2013	\$4.74	\$4.17	NIS 16.63	NIS 14.43
January 2014	\$4.95	\$4.66	NIS 17.29	NIS 16.27
February 2014	\$5.41	\$4.63	NIS 18.85	NIS 16.32
March 2014	\$5.59	\$4.94	NIS 19.32	NIS 17.54
April 2014	\$5.03	\$4.75	NIS 17.64	NIS 16.63
May 2014	\$5.02	\$4.52	NIS 17.62	NIS 15.90
June 2014	\$5.00	\$4.64	NIS 17.84	NIS 16.10
July 2014	\$4.87	\$4.61	NIS 16.53	NIS 15.74
August 2014	\$4.76	\$4.58	NIS 17.14	NIS 15.81
September 2014	\$5.11	\$4.65	NIS 18.63	NIS 17.04
October 2014 (through October 23, 2014)	\$5.01	\$4.81	NIS 18.32	NIS 17.81

The average closing sale price for Gilat shares on Nasdaq during the six months prior to the date of this offer to purchase, i.e., between April 23, 2014 and October 23, 2014 was \$4.78 per share. Accordingly, the purchase price in the offer is 3.6% higher than the said average closing price on Nasdaq and is 1.0% higher than the closing price on Nasdaq on October 23, 2014.

The average closing sale price for Gilat shares on the TASE during the six months prior to the date of this offer to purchase, i.e., between April 23, 2014 and October 23, 2014, was NIS 16.80 per share. Accordingly, the purchase price in the offer (NIS 18.65 based on an exchange rate of NIS 3.767 per United States dollar as of October 23, 2014) is 11% higher than the said average closing price on the TASE and is 1.78% higher than the closing price on the TASE on October 23, 2014.

On September 16, 2014, the last trading day before we announced our intention to commence the offer, the closing sale price per share as reported on Nasdaq was \$4.79 and as reported on the TASE was NIS 17.37 (\$4.77 based on an exchange rate of NIS 3.641 per United States dollar as of September 16, 2014).

**We recommend that you obtain a current market quotation for Gilat shares.**

Based on Gilat's unaudited consolidated financial statements for the period ended June 30, 2014, Gilat's shareholders' equity was \$223,968,000 and its shareholders' equity per share (based on 42,358,000 Gilat shares outstanding on such date) was \$5.29.

**7. EFFECTS OF THE OFFER ON THE MARKET FOR SHARES; REGISTRATION UNDER THE EXCHANGE ACT.**

Our purchase of Gilat shares pursuant to the offer may reduce the number of Gilat shares that might otherwise be traded publicly and may reduce the number of Gilat shareholders. In particular, if the offer is consummated, Gilat's "public float," that is the number of Gilat shares owned by Gilat's non-affiliated shareholders and available for trading in the securities markets, may be reduced. This may result in lower share prices or reduced liquidity in the trading market for Gilat shares in the future. Nonetheless, each member of our bidder group anticipates that there will be a sufficient number of Gilat shares issued and outstanding and publicly-traded following consummation of the offer to ensure a continued trading market for the Gilat shares. Based upon published guidelines of Nasdaq and the TASE, each member of our bidder group believes that our purchase of Gilat shares pursuant to the offer will not, in itself, cause the remaining Gilat shares to be delisted from Nasdaq or the TASE.

The Gilat shares are currently "margin securities" under the rules and regulations of the Board of Governors of the Federal Reserve System. This has the effect, among other things, of allowing brokers to extend credit to their customers using such Gilat shares as collateral. Each member of our bidder group believes that following the purchase of Gilat shares pursuant to the offer, the Gilat shares will continue to be "margin securities" for purposes of the margin rules and regulations of the Board of Governors of the Federal Reserve System.

Gilat shares are registered under the Exchange Act, which requires, among other things, that Gilat furnish certain information to its shareholders and the SEC. Each member of our bidder group believes that our purchase of Gilat shares pursuant to the offer will not result in deregistration of the Gilat shares under the Exchange Act or otherwise cause Gilat to no longer be subject to the reporting requirements of the Exchange Act applicable to it (as a foreign private issuer).

**8. INFORMATION CONCERNING GILAT.**

The information concerning Gilat contained in this offer to purchase has been taken from or is based upon publicly available documents and records on file with the SEC and other public sources. The summary information set forth below is qualified in its entirety by reference to these documents and records. We have not independently verified the accuracy or completeness of the information contained in such documents or records.

**Overview.** Gilat's legal and commercial name is Gilat Satellite Networks Ltd. and its legal form is a company limited by shares. It was incorporated under the laws of the State of Israel on June 28, 1987 under the name Gilat – Communication Systems Limited. It changed its name to Gilat Satellite Networks Ltd. in 1993. Gilat's corporate headquarters and principal executive offices are located at Gilat House, 21 Yegia Kapayim Street, Kiryat Arye, Petah Tikva, 4913020 Israel. Its telephone number in Israel is +972-3-925-2000. Gilat's address in the U.S. is c/o Gilat North America LLC, 1750 Old Meadow Road, McLean, VA. Gilat's website address is <http://www.gilat.com>. However, information contained on Gilat's website does not constitute a part of this offer to purchase.

Gilat is a leading global provider of broadband satellite communication equipment and networking products and services. Gilat designs, produces and markets VSATs, SSPAs, BUCs, and low-profile antennas. Gilat has a large installed customer base and has shipped more than one million VSAT units to customers in approximately 90 countries on six continents.

Gilat shipped its first generation VSAT in 1989 and since then it has been among the technological leaders in the VSAT industry. Gilat's continuous investment in research and development has resulted in the development of new and industry-leading products. As of December 31, 2013, Gilat had approximately 981 full-time employees, including

approximately 270 persons engaged in research, development and engineering activities.

Gilat has 21 sales and support offices worldwide, three network operations centers and five R&D centers. Gilat's products are primarily sold to communication service providers and operators that use VSATs for their customers and to government organizations and system integrators that use its technology. Gilat provides services directly to end-users in various market sectors including in certain countries in Latin America and provides managed network services in Australia, over a VSAT network owned by a third party.

In July and August 2010, respectively, Gilat completed the acquisition of RAS, a leading provider of Satcom-On-The-Move antenna solutions, and Raysat BG, a Bulgarian research and development center. In November 2010, Gilat completed the acquisition of Wavestream, a provider of SSPAs and BUCs, with field-proven, high performance solutions designed for mobile and fixed satcom systems worldwide.

Gilat's ordinary shares began trading on Nasdaq in 1993 under the ticker symbol "GILTF", and on the Tel Aviv Stock Exchange in 2004.

**Available Information.** Gilat is subject to the informational filing requirements of the Exchange Act applicable to "foreign private issuers" and, in accordance therewith, is obligated to file reports, including annual reports on Form 20-F, and other information with the SEC relating to its business, financial condition and other matters.

These reports and other information should be available for inspection at the public reference facilities of the SEC at 100 F. Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Securities and Exchange Commission's public reference room in Washington, D.C. by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Exchange Act file number for Gilat's Securities and Exchange Commission filings is 000-21218.

The Securities and Exchange Commission maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the Securities and Exchange Commission using its EDGAR (Electronic Data Gathering, Analysis, and Retrieval) system.

According to Chapter E'3 of the Israeli Securities Law and regulations promulgated thereunder, Gilat is required to file with the ISA and the TASE any document it is required to file or that it has furnished or made public to its investors in accordance with U.S. law and any other information that it receives from its shareholders regarding their holdings in Gilat, and which was furnished or that has to be furnished, according to U.S. law, to Gilat's shareholders. Such filings, if filed on or after January 1, 2001, are available on the TASE's website (<http://maya.tase.co.il>), and, if were filed on or after November 4, 2003, are also available on the ISA's website (<http://www.magna.isa.gov.il>).

## 9. INFORMATION CONCERNING THE BIDDER GROUP.

**Overview.** FIMI Israel Opportunity Fund IV, Limited Partnership, FIMI Opportunity IV Fund, L.P., FIMI Israel Opportunity Five, Limited Partnership and FIMI Opportunity V, L.P are limited partnerships that are part of a group of private equity funds known as the FIMI Funds. The FIMI Funds invest in companies that are predominantly located in Israel or that have significant ties or relations to Israel. The two managing general partners of the FIMI Funds are FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd., which are companies organized under the laws of the State of Israel. Ishay Davidi is the founder of the FIMI Funds and the chief executive officer of each of FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd. Ishay Davidi also serves as a member of Gilat's board of directors. Amiram Boehm, a partner in the FIMI Funds, is also a member of Gilat's board of directors. Our principal executive offices, and the principal executive offices of FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd., are located at Electra Tower, 98 Yigal Alon Street, Tel Aviv 6789141 Israel. Our telephone number, and the telephone number of FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd., in Israel is +972-3-565-2244. Shira and Ishay Davidi Management Ltd. is a holding company organized under the laws of the State of Israel that controls FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd., the two managing general partners of the FIMI Funds. Ishay Davidi controls Shira and Ishay Davidi Management Ltd. The principal executive offices of Shira and Ishay Davidi Management Ltd. and of Ishay Davidi are also located at Electra Tower, 98 Yigal Alon Street, Tel-Aviv 6789141, Israel and their telephone number in Israel also is +972-3-565-2244.

Except as set forth in this offer to purchase, no member of our bidder group nor, to the best of our knowledge, any of the other persons listed on Schedule I, nor any affiliate or majority-owned subsidiary of any of the foregoing, nor any of the respective executive officers, directors or subsidiaries of any of the foregoing, has effected any transaction in Gilat shares during the past 60 days.

Except as set forth in this document, no member of our bidder group, nor to the best of our knowledge, any other person listed on Schedule I, nor any affiliate or majority-owned subsidiary of the foregoing, beneficially owns or has a right to acquire Gilat shares.

Except as set forth in this document, no member of our bidder group, nor to the best of our knowledge, any of the other persons listed on Schedule I has had, during the past two years, any negotiations, contacts or material transactions with Gilat or any of its executive officers, directors or affiliates, concerning any merger, consolidation, acquisition, tender offer, election of directors, or the sale of a material amount of the assets of, Gilat.

**Additional Information.** The name, citizenship, business address, present principal occupation and material positions held during the past five years of each of the executive officers, directors and other “senior office holders” (as such term is defined under the Israeli Securities Law) of each member of our bidder group are set forth in Schedule I to this offer to purchase.

None of the members of our bidder group:

- has been convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors);
- has been party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws, or a finding of any violation of U.S. federal or state securities laws; or
- has been otherwise convicted in a criminal proceeding and the statute of limitation regarding such conviction, pursuant to the Israeli Criminal Registration and Rehabilitation Law, 1981, has not elapsed prior to the date of this offer to purchase.

**Available Information.** Our bidder group has filed with the SEC a Schedule TO, which includes this offer to purchase as an exhibit thereto and contains additional information concerning the offer. None of the members of our bidder group is subject to the informational filing requirements of the Exchange Act or the Israeli Securities Laws.

## **10. SOURCES AND AMOUNT OF FUNDS.**

The offer is not conditioned on the availability of financing. We estimate that the total amount of funds that we will require to consummate the offer, including fees and expenses, is approximately \$25.75 million. We possess all necessary funds to consummate the offer from cash on hand. To secure the payment for the Gilat shares tendered pursuant to the offer, the Israeli Depositary, who is a member of the TASE, has agreed to guarantee our obligation to pay for the Gilat shares. In addition, to secure this guarantee, we have engaged the Israeli Depositary to act as an escrow agent and have deposited cash into an escrow account in an amount sufficient to pay for the number of Gilat shares that we are offering to purchase in the offer. Because our offer is not conditioned on the availability of financing, we possess all of the necessary funds to consummate the offer from cash on hand, and we have deposited cash into an escrow account with the Israeli Depositary in an amount sufficient to pay for the maximum number of Gilat shares that we are offering to purchase in the offer, each member of our bidder group believes that our financial condition is not material to a decision to tender pursuant to our offer.

## **11. CONDITIONS OF THE OFFER.**

Under Israeli law, we will become irrevocably bound to purchase, subject to proration, the Gilat shares validly tendered pursuant to the offer and not properly withdrawn prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Final Expiration Date, subject to the following conditions. Notwithstanding any other provisions of the offer, and in addition to (and not in limitation of) our rights to extend the Initial Offer Period or otherwise amend the terms of the offer at any time, we shall not be required to accept for payment and, subject to Israeli law, the Exchange Act and any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to our obligation to either pay for or return tendered Gilat shares promptly after the termination or withdrawal of the offer), pay for, and may delay the acceptance for payment of and accordingly the payment for, any tendered Gilat shares, and terminate the offer, if, in our reasonable judgment, any of the following occurs:

**(a)** at 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, any one or more of the following conditions has not been satisfied:

(1) there shall have been validly tendered and not properly withdrawn Gilat shares representing 5.0% of the issued and outstanding shares and voting power of Gilat on the Initial Completion Date (currently, 2,130,095 Gilat shares); and

(2) as required by Israeli law, at the completion of the Initial Offer Period, the aggregate number of Gilat shares validly tendered pursuant to the offer and not properly withdrawn is greater than the aggregate number of Gilat shares represented by Notices of Objection to the offer;

**(b)** (1) at any time on or after commencement of the offer and prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date,

- any “event” (as such term is defined below) shall have occurred;
- we did not know and could not have known of, and we did not foresee and could not have foreseen, in each case, on the date of this offer to purchase, the occurrence of such “event”, and
- such “event” would cause the terms of the offer as a result of such “event” to become materially different from the terms which a reasonable offeror would have proposed had it known of such “event” on the date of this offer to purchase;

For purposes of this paragraph (b)(1), an “event” shall mean any of the following:

(A) any action taken, or any statute, rule, regulation, legislation, interpretation, judgment, order or injunction enacted, enforced, promulgated, amended, issued or deemed applicable to the offer, by any legislative body, court, government or governmental, administrative or regulatory authority or agency of competent jurisdiction, domestic or foreign;

(B) any action or proceeding instituted or pending by any governmental entity or third party before a court or other authority of competent jurisdiction, domestic or foreign; or

(C) any change that has or will have occurred (or any development that has or will have occurred involving prospective changes) in the business, assets, liabilities, conditions (financial or otherwise), prospects or results of operations of Gilat that has, or could reasonably be expected to have, in our reasonable discretion, a material adverse effect on Gilat or, assuming consummation of the offer, on us; or

(2) at any time on or after commencement of the offer and prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date, any of the following shall have occurred, provided that we did not know and could not have known of, nor did we foresee or could have foreseen, such an event, on the date of this offer to purchase:

- any general suspension of, or limitation on prices for, trading in securities on Nasdaq or the TASE;
- a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Israel (whether or not mandatory) or a material limitation (whether or not mandatory) by any governmental entity on the extension of credit by banks or other lending institutions, that could have a material adverse effect on us, Gilat or the trading of Gilat shares;
- in the case of any of the foregoing existing at the time of the commencement of the offer, a material escalation or the worsening thereof;
- any change in the general political, market, economic or financial conditions in the United States, Israel or abroad that could, in our reasonable judgment, have a material adverse effect on us, Gilat or the trading of Gilat shares; or
- a tender offer or exchange offer for any or all of Gilat shares, or any merger, acquisition, business combination or other similar transaction with or involving Gilat or any of its subsidiaries, shall have been proposed, announced or

made by any other person or has been publicly disclosed.

(c) at least one Israeli business day prior to the Initial Completion Date, we shall not have obtained any approvals, licenses, permits or consents of any competent authority or any other approval, which is required under applicable law in order to purchase the Gilat shares pursuant to the offer (see Section 12), including the approval of the Israeli Antitrust Authority to the increase of FIMI's shareholdings in Gilat to more than 25% of Gilat's issued and outstanding share capital. This includes that any U.S. or Israeli governmental, administrative or regulatory authority or agency has imposed, or has sought to impose, a requirement as to the terms of, or the disclosure with respect to, the offer, the compliance with which would (1) result in unreasonable cost or expense to us, (2) require unreasonable commercial efforts by us, or (3) otherwise would prohibit consummation of the offer or prevent consummation thereof within the time periods prescribed by applicable law.

The foregoing conditions may be asserted by us regardless of the circumstances giving rise to any such conditions and, in the case of clause (b) above, subject to applicable law, may be waived by us in whole or in part at any time and from time to time until the Initial Completion Date (as may be extended), in each case, in the exercise of our reasonable judgment. **You should be aware that, under Israeli law, we may not waive the conditions set forth in clause (a) and clause (c) above.**

Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time prior to 10:00 a.m., New York time, or 5:00 p.m., Israel time, on the Initial Completion Date. All of the conditions of the offer must be satisfied or waived before the Initial Completion Date. If we proceed with the offer after failing to exercise any of the foregoing rights, this will be deemed a waiver of such rights, and depending on the materiality of the waived right and the number of days remaining in the offer, we may be required to extend the offer and recirculate new disclosure to the tendering shareholders. A public announcement may be made of a material change in, or waiver of, such conditions, and the Initial Offer Period may, in certain circumstances, be extended in connection with any such change or waiver.

Should the offer be terminated pursuant to the foregoing provisions, all tendered Gilat shares not theretofore accepted for payment shall promptly be returned by the Depositaries to the tendering shareholders.

The offer is not conditioned on the availability of financing or the approval of the board of directors of Gilat.

## **12. LEGAL MATTERS AND REGULATORY APPROVALS.**

**Israeli Antitrust Authority.** On October 20, 2014, we filed a merger notice with respect to our purchase of Gilat shares pursuant to the offer with the Israeli Antitrust Authority. The merger notice is required because if we acquire the Gilat shares pursuant to this offer we will be deemed to own in excess of 25% of the outstanding Gilat shares. Under the Israeli Restrictive Trade Practices Law, 5758-1988, if as a result of a transaction the purchaser will own 25% or more of any means of control in a company, the approval of the Israeli Antitrust Authority is required to be obtained before the transaction may be completed.

**The Israeli Securities Authority.** Pursuant to the Israeli Securities Law, if the ISA, including an employee it authorized for that purpose, determines that this offer to purchase and related materials do not contain all the information that the ISA believes is important for a reasonable offeree, or that this offer to purchase and related materials do not comply with the provisions of the Israeli Securities Law, the ISA may direct, during the period in which the offer is open, that the Initial Completion Date be postponed, and the ISA may direct, after having given us appropriate opportunity for a fair hearing before it, that an amendment to this offer to purchase and related materials be published within one Israeli business day (unless it stipulates another time), or that an amended offer to purchase and related materials should be provided in the form and manner it directs. The ISA may order the postponement of the Initial Completion Date, if it sees fit to do so, for the protection of the interests of the offerees.

**The U.S. Securities and Exchange Commission.** The SEC may or may not review and comment on this offer to purchase and related documents. However, the offer has not been approved or disapproved by the SEC (or, for that matter, any state securities commission or the ISA), nor has the SEC (or any state securities commission or the ISA) passed upon the fairness or merits of the offer or upon the accuracy or adequacy of the information contained in this offer to purchase. Any representation to the contrary is a criminal offense.

**General.** In addition, we must receive any necessary material approval, permit, authorization or consent of any U.S., Israeli or other governmental, administrative or regulatory agency (federal, state, local, provincial or otherwise) prior to the

Initial Completion Date. Except as set forth above, we are not aware of any license or regulatory permit that appears to be material to the business of Gilat and its subsidiaries, taken as a whole, that might be adversely affected by our acquisition of Gilat shares pursuant to the offer. If any such material approval or other action is required, we presently contemplate to use our reasonable commercial efforts to obtain such approval or take such action. While, except as otherwise described in this offer to purchase, we do not presently intend to delay the acceptance for payment of, or payment for, Gilat shares tendered pursuant to the offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions, or that failure to obtain any such approval or other action might not result in unknown or unforeseen consequences adverse to Gilat's business. See Section 11 for conditions of the offer, including conditions with respect to regulatory approvals.

### **13. FEES AND EXPENSES.**

We have retained D.F. King & Co., Inc. to serve as the Information Agent for the offer, American Stock Transfer & Trust Company, to serve as the U.S. Depositary for the offer, and Bank of Jerusalem Ltd. to serve as the Israeli Depositary for the offer.

The Information Agent may contact holders of Gilat shares by personal interview, mail, telephone, facsimile and other methods of electronic communication and may request brokers, dealers, banks, trust companies and other nominees to forward the materials relating to the offer to beneficial holders. As compensation for acting as Information Agent in connection with the offer, D.F. King & Co., Inc. will be paid a reasonable and customary fee for its services and will also be reimbursed for reasonable out-of-pocket expenses and may be indemnified against specified liabilities and expenses in connection with the offer, including specified liabilities under the federal securities laws. We will pay the Depositaries reasonable and customary compensation for their services in connection with the offer and reimburse them for reasonable out-of-pocket expenses, and will indemnify them against specified liabilities and expenses in connection with their services, including specified liabilities under the federal securities laws.

It is estimated that the expenses incurred in connection with the offer will be approximately as set forth below:

Information Agent Fees and Expenses	\$ 6,500
U.S. and Israeli Depositaries' Fees and Expenses	\$ 22,000
Filing Fees	\$ 2,972
Legal Fees	\$ 122,500
Printing and Mailing Costs	\$ 8,125
Miscellaneous	\$ 12,500
<b>Total</b>	<b>\$ 174,597</b>

Except as set forth above, we will not pay any fees or commissions to any broker or dealer or other person or entity in connection with the solicitation of tenders of Gilat shares pursuant to the offer. We will, upon request, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding materials relating to the offer to their customers.

### **14. MISCELLANEOUS.**

We are making the offer to shareholders of Gilat by this offer to purchase and the related documents delivered to you. We are not aware of any jurisdiction where the making of the offer is prohibited by administrative or judicial action pursuant to any valid state statute. If we become aware of any valid state statute prohibiting the making of the offer or the acceptance of the Gilat shares pursuant thereto, we will make a good faith effort to comply with such statute or seek to have such statute declared inapplicable to the offer. If, after this good faith effort, we cannot comply with the state statute, subject to applicable law, the offer will not be made to (nor will tenders be accepted from or on behalf of) holders of Gilat shares in that state. In those jurisdictions where the securities, blue sky or other laws require the offer to be made by a licensed broker or dealer, we will endeavor to make arrangements to have the offer made on our behalf by one or more registered brokers or dealers licensed under the laws of such jurisdictions.

**No person has been authorized to give any information or to make any representation on our behalf not**

**contained herein or in the related documents delivered to you and, if given or made, such information or representation must not be relied upon as having been authorized.**

Pursuant to Rule 14d-3 under the Exchange Act, we have filed with the SEC the Schedule TO, together with exhibits, furnishing additional information with respect to the offer. The Schedule TO and any amendments thereto, including exhibits, should be available for inspection at the public reference facilities of the SEC at 100 F. Street, N.E., Room 1580, Washington, D.C. 20549. Copies of this information should be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal office at 100 F. Street, N.E., Room 1580, Washington, D.C. 20549. The SEC also maintains a website <http://www.sec.gov> that contains reports and other information filed electronically with the SEC.

Pursuant to the Securities Regulations (Tender Offer), 5760-2000, we have filed a copy of this offer to purchase with the ISA and the TASE.

FIMI OPPORTUNITY IV, L.P.  
FIMI ISRAEL OPPORTUNITY IV, LIMITED PARTNERSHIP  
FIMI OPPORTUNITY V, L.P.  
FIMI ISRAEL OPPORTUNITY FIVE, LIMITED PARTNERSHIP

Dated: October 24, 2014

## ANNEX A

### **Excerpt of Section 331 of the Israeli Companies Law 5759-1999**

#### **(Unofficial Translation from Hebrew)**

“331. Consent of shareholders

- (a) A special tender offer shall be addressed to all offerees, and the offerees may announce their consent to the special tender offer or their objection thereto.
- (b) A special tender offer may not be accepted unless a majority of the votes of offerees, who announced their position with respect thereto, agreed to the offer.
- (c) In counting the votes of the offerees, the votes of a controlling shareholder of the offeror or of controlling persons of the company, or of persons on their behalf or on behalf of the offeror, including their relatives and corporations under their control, shall be excluded.
- (d) If a special tender offer is accepted, then all offerees who had not announced their position with respect the offer or who objected to the offer, may agree to the offer, not later than four days after the last date for acceptance of the tender offer, or by such other date to be set by the Minister for this purpose, and they shall be treated like persons who initially agreed to the offer.”

## ANNEX B

### **Definition of Israeli Resident for Israeli Tax Purposes**

#### **(Unofficial Translation from Hebrew)**

The following is an excerpt of Section 1 of the Israeli Income Tax Ordinance [New Version], 1961, as amended, which defines a “resident of Israel” as follows:

- (A) with respect to an individual – a person whose center of vital interests is in Israel; for this purpose the following provisions will apply:
- (1) in order to determine the center of vital interests of an individual, there shall be taken into account the whole of the individual’s family, economic and social connections, including, among others:
    - (a) place of domicile;
    - (b) place of residence of the individual and the individual’s immediate family;
    - (c) place of the individual’s regular or permanent occupation or the place of his permanent employment;
    - (d) place of the individual’s active and material economic interests;
    - (e) place of the individual’s activities in organizations, associations and other institutions;
  - (2) the center of vital interests of an individual will be presumed to be in Israel:
    - (a) if the individual was present in Israel for 183 days or more in the tax year;
    - (b) if the individual was present in Israel for 30 days or more in the tax year, and the total period of the individual’s presence in Israel during the tax year and the two previous tax years is 425 days or more.
- For the purposes of this paragraph, “day” includes a portion of a day;
- (3) the presumption in subparagraph (2) may be rebutted either by the individual or by the assessing officer....
- (B) with respect to an entity – an entity that satisfies one of the following conditions:
- (1) it was incorporated in Israel;
  - (2) the “control and management” of its business is exercised in Israel.

## SCHEDULE I

### CERTAIN INFORMATION CONCERNING THE EXECUTIVE OFFICERS AND CONTROL PERSONS OF THE BIDDER GROUP

Set forth below are the name, business address and current principal occupation or employment, and material occupations, positions, offices or employment for the past five years, of the executive officers and control persons of each member (other than natural persons) of our bidder group. The business address of each person listed below is Electra Tower, 98 Yigal Alon Street, Tel-Aviv 6789141, Israel.

Our managing general partners are FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd. Both are companies limited by shares.

The directors and officers of each of FIMI IV 2007 Ltd. and FIMI Five 2012 Ltd. are Ishay Davidi, Gillon Beck, Sharon Amir, Dr. Amnon Goldschmidt and Ms. Chelly Pardo. The director and officer of Shira and Ishay Davidi Management Ltd. is Ishay Davidi.

None of the persons listed below has, during the past five years, (i) been convicted in a criminal proceeding or (ii) been a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws, or a finding of any violation of U.S. federal or state securities laws. All persons listed below are citizens of the State of Israel.

<u>Name</u>	<u>Current Principal Occupation or Employment and Five-Year Employment History</u>
Ishay Davidi	Mr. Davidi is the founder of the FIMI Funds and has served as the CEO of each of the managing general partners of the partnerships comprising the FIMI Funds since 2003. Mr. Davidi also serves as a member of Gilat's board of directors and is the Chairman of the board of directors of Inrom Construction Industries Ltd. (TASE), and a director of Ormat Industries Ltd. (TASE), Ham-Let (Israel-Canada) Ltd. (TASE), C. Mer Ltd. (TASE), Pharm Up Ltd. and Overseas Commerce Ltd. Mr. Davidi previously served as the Chairman of the board of directors of Retalix (previously traded on NASDAQ and TASE) from August 2008 until January 2010, of Tefron Ltd. (New York Stock Exchange and TASE) and of Tadir-Gan (TASE), and as a director of Retalix, Tadiran Communications Ltd. (TASE), Lipman Electronic Engineering Ltd. (NASDAQ and TASE), Merhav Ceramic and Building Materials Center Ltd. (TASE), TAT Technologies Ltd. (NASDAQ and TASE), Orian C.M. Ltd. (TASE), Ophir Optronics Ltd. (TASE), Scope Metals Group Ltd. (TASE) and Formula Systems Ltd. (NASDAQ and TASE). Mr. Davidi holds a B.Sc. in Industrial and Management Engineering from Tel Aviv University and an M.B.A. from Bar Ilan University.
Gillon Beck	Mr. Beck has been a senior partner and director of the FIMI Funds since 2003. Mr. Beck is the Chairman of the Board of Directors of each of Ham-Let (Israel-Canada) Ltd., Overseas Commerce Ltd. and H.R. Givon Ltd. and a member of the Board of Directors of each of Ormat Technologies Inc., Inrom Construction Industries Ltd. and Magal Security Systems Ltd.. He holds a B.Sc. in Industrial Engineering from the Technion, Israel Institute of Technology, and an MBA in Finance from Bar Ilan University.
Sharon Amir	Mr. Amir is a director of the FIMI Funds and has been a senior partner at Naschitz, Brandes, Amir & Co. since January 1997. Prior to joining Naschitz, Brandes, Amir, Mr. Amir spent four years as a corporate and tax attorney with Skadden, Arps, Slate, Meagher & Flom in New York. Mr. Amir holds a B.A. in Philosophy and Political Science from the University of New South Wales, an LL.B. from the Tel-Aviv University and an LL.M. in Taxation from New York University.

Amnon Goldschmidt	Dr. Goldschmidt was the Chief Financial Officer of Israel Discount Bank Ltd. from 1996 until 2007. Dr. Goldschmidt has been a director of the FIMI Funds since 2003. Dr. Goldschmidt also serves as a director of The First International Bank of Israel. Dr. Goldschmidt holds a PhD in economics and an MBA in finance from The Hebrew University of Jerusalem and a Bachelor of economic and social sciences from The Hebrew University of Jerusalem.
Chelly Pardo	Ms. Pardo has been a partner of the FIMI Funds since 2003.

The U.S. Depositary for the Offer is:



If delivering by mail:

American Stock Transfer & Trust Company, LLC  
Operations Center  
Attn: Reorganization Department  
P.O. Box 2042  
New York, New York 10272-2042  
  
Phone: Toll-free (877) 248-6417  
(718) 921-8317  
Fax 718 234-5001

If delivering by hand, express mail, courier  
or any other expedited service:

American Stock Transfer & Trust Company, LLC  
Operations Center  
Attn: Reorganization Department  
6201 15th Avenue  
Brooklyn, New York 11219

The Israeli Depositary for the Offer is:



By Hand or Overnight Courier:  
Bank of Jerusalem Ltd.  
Rubinstein House, 37 Begin Road  
Tel Aviv 6522042, Israel  
Attn: Avi Avivi

By Facsimile Transmission:  
+972-76-809-6377  
  
Confirm by Telephone:  
+972-76-809-5529

The Information Agent for the Offer is:



D.F. King & Co., Inc.  
48 Wall Street  
New York, NY 10005

For assistance call D.F. King at 866-406-2288 (toll free) or 212-493-3910 (banks and brokers)

Our Israeli legal counsel is:



5 Tuval St.  
Tel Aviv 6789717, Israel  
Tel.: 972-3- 6235000; Facsimile: 972-3-6235005  
Attn: Sharon Amir, Adv. or Idan Lidor, Adv.

## הודעת מחזקק לא רשות

- ניצע המ██דים להצעת הרכש י מלא את חלק א' להודעה זו, וניצע המתנגד להצעת הרכש י מלא את חלק ב' להודעה זו.

אל: פימי אופורטונייטי IV, שותפות מוגבלת, פימי ישראל אופורטונייטי VII, שותפות מוגבלת, פימי אופורטונייטי פיב, שותפות מוגבלת ופימי ישראל אופורטונייטי פיב, שותפות מוגבלת (להלן ייחדו: "המציעה")

באמצעות חבר הבורסה - \_\_\_\_\_ בע"מ

הנדון: מניות רגילות של גילת רשותות לוין בע"מ ("החברה")

### חלק א'

הנני מתייחס למפרט (offer to purchase) מיום 24 באוקטובר 2014 של המ齊עה, לפיו המ齊עה המ齊עה לרכוש עד 5,166,348 מניות רגילות בנות 0.20 ש"ע ערך נקוב של החברה ("המפרט"). הוואיל והנני הבעלים והחזקק באמצעותם, בפיקדונם מס' \_\_\_\_\_ בסניפכם מס' \_\_\_\_\_ של \_\_\_\_\_ מניות רגילות בנות 0.20 ש"ע ערך נקוב של החברה, והואיל וברצוני להסכים להצעת הרכש של המ齊עה הכלולה במפרט, וזאת בגין \_\_\_\_\_ (\*) מניות של החברה, לפיכך, ניתנת בזאת הודעת הסכמה של מחזקק לא רשות כמשמעותה בסעיף 3 למפרט, והתחייבות להעברת המניות הנ"ל, דהיינו \_\_\_\_\_ (\*) מניות של החברה ("המניות") למ齊עה, בהתאם להוראות המפרט.

אני מצהיר ומתחייב בזאת כי המניות נקיות מכל שעבוד, עיקול, חוב, עיכובן או זכות כלשיי לטובת צד שלishi' כלשהו במועד מתן הודעת הסכמה זו, וכן כי מניות אלה תהיוו במצבן זה במועד העברתן על שם המ齊עה לפי המפרט.

את התמורה בגין המניות הנ"ל נא להעביר לחשבוני אצל \_\_\_\_\_ מס' \_\_\_\_\_ סניף \_\_\_\_\_. ידוע לי כי תנאי מוקדם לרכישת המניות על-ידי המ齊עה ותשלום תמורה על-פי המפרט הינו נוכנות הצהרתי זו.

(מספר ת.ז./מספר חברה)

(שם מלא)

(חתימה)

### חלק ב'

הנני מתייחס למפרט (offer to purchase) מיום 24 באוקטובר 2014 של המ齊עה, לפיו המ齊עה המ齊עה לרכוש עד 5,166,348 מניות רגילות בנות 0.20 ש"ע ערך נקוב של החברה ("המפרט"). הוואיל והנני הבעלים והחזקק באמצעותם, בפיקדונם מס' \_\_\_\_\_ בסניפכם מס' \_\_\_\_\_ של \_\_\_\_\_ מניות רגילות בנות 0.20 ש"ע ערך נקוב של החברה, והואיל וברצוני להתנגד להצעת הרכש של המ齊עה הכלולה במפרט, וזאת בגין \_\_\_\_\_ (\*) מניות של החברה, לפיכך, ניתנת בזאת הודעת התנגדות של מחזקק לא רשות כמשמעותה בסעיף 3 למפרט.

(מספר ת.ז./מספר חברה)

(שם מלא)

(חתימה)

(\*) יש למלא במקום זה את הכמות המרבית של מניות אשר בגיןה ניתנת ההודעה, דהיינו, מלאה כמות המניות שבפיקדונם ניירות ערך הנ"ל, או כמות קטנה יותר, לפי רצון החזקק.

## הודעת מחזיק רשום

- ניצע המ██דים להצעת הרכש, ימלא את חלק א' להודעה זו, וניצע המתנגד להצעת הרכש ימלא את חלק ב' להודעה זו.

אל: פימי אופורטונייטי IV, שותפות מוגבלת, פימי ישראל אופורטונייטי IV, שותפות מוגבלת, פימי אופורטונייטי פיב, שותפות מוגבלת ופימי ישראל אופורטונייטי פיב, שותפות מוגבלת (להלן ייחדו: "המציעה")  
באמצעות בנק ירושלים בע"מ

### הנדון: מנויות רגילות של גילות רשותות לוין בע"מ ("החברה")

#### חלק א'

הנני מתייחס למפרט (offer to purchase) מיום 24 באוקטובר 2014 של המציע, לפיו הצעה המציעה לרכוש 5,166,348 מנויות רגילות בנות 0.20 ש"ח ערך נקוב של החברה ("המפורט").  
הויאל והנני הבעלים של / מיופה כוח לעולות בגין / \_\_\_\_\_ מנויות רגילות בנות 0.20 ש"ח ערך נקוב  
של החברה המסומנות מס' \_\_\_\_\_ עד מס' \_\_\_\_\_ ועד בכלל, הרשותות על שם \_\_\_\_\_  
והויאל וברצוני להסכים להצעת הרכש של המציע הכלולה במפרט, וזאת בגין \_\_\_\_\_  
\* מנויות של החברה, ניתנת בזה הודעת הסכמה של מחזיק רשום כמפורט בסעיף 3  
למפורט, והתחייבות להעברת המניות הנ"ל, דהיינו, \_\_\_\_\_ (\*) מנויות של החברה ("המניות"),  
על-פי שטר העברת המניות המצורף בזה, הכל בהתאם לתנאי הצעת הרכש הנ"ל / המניות  
מוחזקות על-ידי על-פי ייפוי כוח נוטרוי מאת \_\_\_\_\_ הבעלים והמחזיק של המניות,  
אשר הוגג בפני \_\_\_\_\_ ואשר העתקו, מאושר על-ידי נוטרוי, מצורף להודעת הסכמה  
זו.\*\*.

אני מצהיר ומתחייב בזאת, כי המניות נקיות מכל שעבוד, עיקול, חוב, עיכבון או זכות כלשי  
לטובת צד שלישי כלשהו במועד מתן הודעת הסכמה זו וכן כי מניות אלה תהינה במצבן זה במועד  
העברתן על שם המציע לפי המפרט. את התמורה בגין המניות הנ"ל נא להעביר לחשבון בנק,  
מס' \_\_\_\_\_ על שם \_\_\_\_\_ בבנק \_\_\_\_\_ סעיף \_\_\_\_\_ (מס' סניף \_\_\_\_\_).  
\_\_\_\_\_.

יודע לי, כי תנאי מוקדם לרכישת המניות על-ידי המציע ותשלום תמורה על-פי המפרט הינו  
נכסות הצהרתי זו.  
רצ"ב: 1. שטר העברת מנויות בגין המניות, 2. תעודהות מנויות מס' \_\_\_\_\_ בגין המניות, 3.  
העתק מאושר של ייפוי-כוח נוטרוי (כל שROLONET).

\_\_\_\_\_ (שם מלא)

\_\_\_\_\_ (חתימה)

\_\_\_\_\_ (מספר ת.ז. / מספר חברה)

\_\_\_\_\_ (כתובת)

#### חלק ב'

הנני מתייחס למפרט (offer to purchase) מיום 24 באוקטובר 2014 של המציע, לפיו הצעה המציעה לרכוש 5,166,348 מנויות רגילות בנות 0.20 ש"ח ערך נקוב של החברה ("המפורט").  
הויאל והנני הבעלים של / מיופה כוח לעולות בגין \_\_\_\_\_ מנויות רגילות בנות 0.20 ש"ח ערך  
נקוב של החברה המסומנות מס' \_\_\_\_\_ עד מס' \_\_\_\_\_ ועד בכלל, הרשותות על שם \_\_\_\_\_  
והויאל וברצוני להתנגד להצעת הרכש של המציע הכלולה במפרט, וזאת בגין \_\_\_\_\_  
\* מנויות של החברה, ניתנת בזה הודעת התנגדות כמשמעותו בסעיף 3 לפרט, אליה מצורף  
צילום של תעודהות המניות.

\_\_\_\_\_ (שם מלא)

\_\_\_\_\_ (חתימה)

\_\_\_\_\_ (מספר ת.ז. / מספר חברה)

(\*) יש למלא במקומות זה את הכמות המרבית של מניות אשר בגין ניתנת הودעה זאת, דהיינו מלאה ההחזקה  
בחברה של המחזיק, או כמות קטנה יותר, לפי רצון המחזיק.  
(\*\*) מחק המיותר.

## שטר העברת מנויות

אני/אנו הח"מ \_\_\_\_\_, ת.ז./מס' חברה \_\_\_\_\_, מרחוב \_\_\_\_\_ מס' \_\_\_\_\_ ב \_\_\_\_\_, תموורת הסך של \_\_\_\_\_ דולר של ארה"ב \_\_\_\_\_ ששולם לי/לנו על-ידי המזעיה בהצעת הרכש, פימי אופורטונייטי VII, שותפות מוגבלת ו/או פימי ישראל אופורטונייטי VII, שותפות מוגבלת ו/או פימי אופורטונייטי פיב, שותפות מוגבלת ו/או פימי ישראל אופורטונייטי פיב, שותפות מוגבלת ("מקבלת ההעברת"), הנני(ו) מעביר/ים בזה למקבלת ההעברת \_\_\_\_\_ מנויות רגילהות בנות 0.20 ש"ח ערך נקוב, בתעודת/תעודות מס' \_\_\_\_\_, של גילת רשותות לוין בע"מ, להיות בידיי מקבלת ההעברת, בא כוחה ומקבלי ההעברת ממנה, על-פי כל התנאים שלפיהם החזקתי/נו אני/אנו בהן בשעת חתימת שטר זה. ואני, מקבלת ההעברת, מסכימה לקבל את המניות הנ"ל על-פי התנאים הנ"ל.

ולראיה באנו על החתום ב- \_\_\_\_\_ היום \_\_\_\_\_ בחודש \_\_\_\_\_ שנת \_\_\_\_\_

חתימת המעביר/ים

חתימה מקבלת ההעברת

## הודעת חבר הבורסה

אל: פימי אופורטונייטי VII, שותפות מוגבלת, פימי ישראל אופורטונייטי VII, שותפות מוגבלת, פימי אופורטונייטי פיב, שותפות מוגבלת ופימי ישראל אופורטונייטי פיב, שותפות מוגבלת (להלן ייחדו: "המציעה") באמצעות בנק ירושלים בע"מ

### הندון: מנויות רגילות של גילת רשותות לוין בע"מ ("החברה")

הndoן מתייחסים למפרט (offer to purchase) מיום 24 באוקטובר 2014 של המציע, לפיו הציעה המציע לרכישת גילות בנות 0.20 ש"ר נקוב של החברה ("המפורט"). הויאל וקיבלונו הודעות מוחזקים לא רשומים בגין כמות כוללת של מנויות רגילות בנות 0.20 ש"ר נקוב כל אחת של החברה מוחזקיהן ובעליהן ("סקן המניות"), ניתנת בזאת הודעת חבר בורסה כמשמעותה בסעיף 3 למפרט בקשר עם המניות הנ"ל, כדלקמן:

מתוך סך המניות, קיבלנו הודעות הסכמה להצעת הרכש בגין כמות כוללת של מנויות רגילות בנות 0.20 ש"ר נקוב כל אחת של החברה ("מניות הכספייה"). אלו מצהירים ומתחייבים בזאת, כי מניות הכספייה נקיות מכל שעבוד, עיקול, חוב, עיכובו או זכות כלשיי לטובת צד שלישי כלשהו במועד מתן הודעת הסכמה זו וכן כי מניות אלה תהינה במצבן זה במועד העברתן על-שם המציע לפי המפרט. אם תתקבלו את התמורה בגין המניות הנ"ל לحسابנו במסליקת הבורסה.

בגין יתרת המניות מתוך סך המניות, קרי מניות רגילות בנות 0.20 ש"ר נקוב כל אחת של החברה, קיבלונו הודעות התגנות.

ידעו לנו, כי תנאי מוקדם לרכישת המניות על-ידי המציע ותשלום תמורהן על-פי המפרט הינו נכונות הצהרתנו זו.

\_\_\_\_\_  
(מספר חבר בורסה)

\_\_\_\_\_  
(שם חבר הבורסה)

\_\_\_\_\_  
(חותמת וחתימה)

\_\_\_\_\_  
(תאריך)