

San Diego, December 15, 2004

Spectra Licensing Group announces Gilat's entrance into the Turbo Code Licensing Program for DVB-RCS Satellite Applications

San Diego – December 15, 2004 – Spectra Licensing Group announced today that France Telecom (NYSE: FTE) a world leading communications carrier and innovator through its research and development group, and Gilat Satellite Networks (NASDAQ: GILTF), a leading provider of VSAT technology worldwide, have entered into a fee bearing patent license agreement under France Telecom's Turbo Code Licensing Program. Under terms of the agreement France Telecom has granted Gilat a worldwide license to France Telecom's seminal Turbo Code patents for use in Gilat's SkyEdge DVB-RCS (Digital Video Broadcast – Return Channel Satellite) next generation VSAT product line.

Turbo Codes are a revolutionary form of forward error correction, one of the fundamental building blocks of any type of digital communication and operate near the theoretical "Shannon limit." The greater noise tolerance of Turbo Codes provides substantial increases in network capacity. This capacity allows satellite providers to increase the amount of data transmitted enabling broadband over satellite services at up to 2Mbits/sec in a DVB-RCS system.

The SkyEdge DVB-RCS VSAT is a member of Gilat's recently unveiled SkyEdge Product Family, with the ability to support an endless array of applications in data, telephony and broadband IP all using the same hub. Being much more than only a return link standard, this dual mode DVB-RCS VSAT provides a unique real end to end standard solution for a satellite network operator with an arsenal of additional access schemes, embedded software and enhanced IP acceleration features for full flexibility and support in a complex IP environment.

“We are pleased to license a leader in the VSAT market such as Gilat,” said Erik Johnson, Director of Sales and Marketing for Spectra Licensing Group. “Gilat’s selection of the open standard DVB-RCS, utilizing Turbo Codes, represents an important step in our efforts to work with manufacturers of VSAT related products.”

Invented by Claude Berrou and Alain Glavieux, Turbo Codes have been recognized and honored by the IEEE as technological innovation. Further evidence of this innovation, Turbo Codes have been adopted by open standards groups such as the DVB (DVB-RCS), IEEE (802.16e), and ETSI (UMTS) for their increase in data capacity, range, as well as the maturity and understanding of Turbo Codes.

About Spectra Licensing Group, Incorporated

Spectra Licensing Group, Incorporated, with offices in Rancho Bernardo, CA, is the worldwide licensing agent for France Telecom’s Turbo Code Licensing Program. Spectra Licensing enables access to Turbo Code licensing for communications product developers and vendors. By facilitating the licensing efforts of France Telecom and prospective licensees, Spectra Licensing provides a single source for Turbo Code licensing. For more information on Spectra Licensing Group and the Turbo Coded Licensing Program, visit <http://www.spectralicensing.com>

About Gilat Satellite Networks Ltd.

Gilat Satellite Networks Ltd., with its global subsidiaries Spacenet Inc., Gilat Latin America and rStar Corporation (RSTRC), is a leading provider of telecommunications solutions based on Very Small Aperture Terminal (VSAT) satellite network technology – with close to 500,000 VSATs shipped worldwide. Gilat, headquartered in Petah Tikva, Israel, markets the SkyEdge™ Product Family which includes the SkyEdge™ Pro, SkyEdge™ IP, SkyEdge™ Call, SkyEdge™ DVB-RCS and SkyEdge™ Gateway. In addition the Company markets the Skystar Advantage®, DialAw@y IP™, FaraWay™, Skystar 360E™ and SkyBlaster* 360 VSAT products in more than 80 countries around the world. Gilat provides satellite-based, end-to-end enterprise networking and rural telephony solutions to customers across six continents, and markets interactive broadband data services. Skystar Advantage, Skystar 360E, DialAw@y IP and FaraWay are trademarks or registered trademarks of Gilat Satellite Networks Ltd. or its subsidiaries. (*SkyBlaster is marketed in the United States by StarBand Communications Inc. under its own brand name.) Visit Gilat at www.gilat.com.

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