

**Hughes Electronics Corporation Response to
FCC Initial Request for Information dated February 4, 2002**

Box #: FCC 1

Source: Tim Kirkwood
Hughes Network Systems

Production #s: FCC2A000000001 – FCC2A000000390

FCC Request Responsive to: X.III.D.

RECEIVED

MAR - 6 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:03 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 1

RECEIVED

MAR - 6 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

HIDDEN IN YOUR DATA

[Company Background](#) [Company News](#)
[Financial Overview](#) [Press Releases](#)
[Stock Charts](#) [Quote Details](#)

[HOME](#) [MARKETPLACE](#) [FINANCIAL](#) [MARKET CENTER](#) [SPORTS](#) [PERSONAL FINANCE](#)

Gilat Communications Ltd.

November 23, 1999

Eloquent And Gilat Communications Partner To Create A Robust Business Communications And Learning Platform

SAN MATEO, Calif, and PETACH TIKVA, Israel--(BUSINESS WIRE)--November 23, 1999--

Eloquent's Rich-Media Solution Complements Gilat's TrainNet(tm), Creating A Full Featured "Live To On-Demand" Business Communications and Interactive Learning Solution

Eloquent, Inc., the leader in Web-based rich media business communications solutions, and Gilat Communications Ltd. (NASDAQ: GICOF), the international leader in satellite and Web-based Interactive Distance Learning (IDL) systems, today announced a partnership to offer a joint business communications and distance learning solution. This solution leverages Gilat's live broadcast and interactive capabilities and Eloquent's on-demand rich media capabilities to provide a complete "live to on-demand" business communications and interactive learning platform.

Gilat's TrainNet is an IDL system which enables a live, interactive instructor-led classroom experience by providing full-screen, full-motion video broadcast to classrooms and individual PCs over broadband, LAN or Internet connections. TrainNet also features instantaneous application projection, collaboration tools and feedback buttons that enhance the communication and interaction between teacher and student. The TrainNet platform is a robust and fully scalable solution for both corporate as well as educational institutions.

Eloquent's rich media format-synchronized video, audio, text and graphics-will capture, organize, and archive live TrainNet sessions. Customers can now make TrainNet content available on demand over the Web at typical Internet bandwidths, extending the value of the original broadcast to students, employees, and partners who are not able to attend the live sessions. In addition, personalized, pre-event presentations from Eloquent enable participants with different backgrounds to prepare appropriately for TrainNet sessions. Eloquent's rich media format and the Eloquent Enterprise Communications Portal Server also enable customers to create a fully searchable and navigable archive of TrainNet materials, extending their useful life and enhancing their value to the organization.

"Gilat and Eloquent provide an integrated solution that combines the benefits of live communication with the power of on-demand rich media," said Brandon Hall, Ph.D., publisher of brandon-hall.com. "In addition to the interactive learning experience, users are supported by information which is

accessible at any time, from anywhere. Together, they have created a unique situation supporting both community and individual learning."

"Eloquent's on-demand rich media solutions will allow us to greatly augment the reach and the value of our live, interactive offering within our customers' organizations," said Mr. Avraham Rosenbach, Vice President of Marketing and Sales, Gilat. "The Eloquent-Gilat solution enables customers to leverage important communications and learning events to the fullest, improving their effectiveness and increasing their ROI."

"The combination of Gilat's live learning environment and Eloquent's on-demand, rich media application platform enables organizations to expand the value of their online learning investments," said Jane Beule, Vice President of Marketing, Eloquent.

About Gilat Communications

Gilat Communications, Ltd. ("Gilat") is a leading developer and provider of end-to-end interactive distance learning (IDL) solutions worldwide. Gilat's comprehensive IDL solutions allow corporations, banks, government agencies and academic institutions to create and conduct live as well as offline instructor-led or self-paced classrooms utilizing personal computers, regular telephone sets, Internet connections and any broadband communication channel. Gilat's state of the art systems have been successfully implemented throughout the world and are in extensive use on all continents.

Founded in 1990, the company also provides a wide range of satellite-based communications services, including private data, IP and voice communications networks and digital video broadcasting over IP multicast.

Since 1997, Gilat Communications has been traded publicly on NASDAQ under the symbol GICOF.

For more information, please visit the company's Web site at www.gilat.net.

About Eloquent, Inc.

Eloquent is the leader in Web-based rich media business communications solutions. Eloquent products and services are the de-facto standard for transferring knowledge to large audiences over the Web using synchronized on-demand video, audio, text and graphics.

In today's digital economy where speed is a key competitive advantage, Eloquent dramatically improves an organization's ability to deploy knowledge quickly. Eloquent solutions reduce time-to-market, increase customer satisfaction and enable on-demand strategic communications that drive top-line performance-at dramatic cost savings over traditional methods.

Eloquent's full service solution offering includes Web-based player and server software, rich media publishing tools, content hosting, integration services and a proven content production capability. Eloquent's open architecture integrates easily with industry-leading technologies, enterprise applications; computer based training (CBT) and other digital content. Eloquent's worldwide customer base includes over a million and a half users across more than 170 companies.

For more information, please visit the company's Web site at www.eloquent.com.

Eloquent and the Eloquent logo are trademarks of Eloquent, Inc. All other trademarks are the property of their respective owners.

Concerning Gilat Communications:

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

CONTACT: High Road Communications
Monta Kerr-Johnson
Account Director
650/621-0086
mkerr@highrd.com
or
Gilat Communications
Elie Cohen
Director, Marketing Communications
+972-3-925-5111
elie@gilat.net

More about Gilat Communications Ltd.:

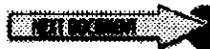


Dow Jones Publications Library
Search the world's top publications.

Headlines are free. Additional charges for articles viewed.

[From leading business publications](#)

[From The Wall Street Journal](#)



Powered by Quote Agent® and News Agent® from IDD Information Services



HELP MARKET DATA CENTER

PERSONAL FINANCE CENTER

QUOTES

BRIEFING BOOKS

SEARCH

GLOSSARY

YOUR ACCOUNT

BARRON'S ONLINE

Copyright © 1999 Dow Jones & Company, Inc. All Rights Reserved.

////////////////////////////////////

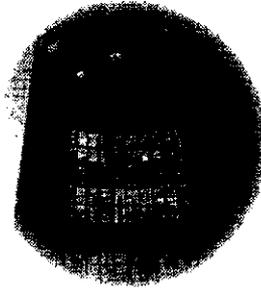
USER ID: PRINT01

DATE: 3/6/02 TIME: 5:34:06 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 2

Company



Gilat Satellite Networks Ltd. is a global leader in VSAT (Very Small Aperture Terminal) satellite communications technology, manufacturing and service. The Company provides end-to-end telecommunications and data networking solutions to customers across six continents.

For a look at our largest customers see [Gilat's "Top Ten"](#).

Gilat is a founder member

With its acquisition of [Spacenet](#) in December 1998, Gilat has become a vertically-integrated full-scale global service provider. Service offerings include access to satellite transponder capacity, installation of network equipment, on-line network monitoring and network maintenance and repair services. Gilat subsidiary [Gilat Florida/Latin America](#) has responsibility for the paging market worldwide, sales in Latin America, and the ISAT and RF transceiver product lines. Gilat holds a minority share in [Global Village Telecom](#), which specializes in the operation of satellite-based rural telephony networks, and in [KSAT](#), a joint venture with Singapore-based Keppel Communications, which is dedicated to providing satellite-based telecommunication services in China.

Download/Print Date!

of
the
Global
VSAT
Forum
and
is
ISO
9002
certified.



[Click here for Investor Relation Document](#) (15 MB) or, if you have slow connection, view [Part I](#) and [Part II](#) of this document.

[Click here to view our Video archive.](#)

Company Description

Gilat Satellite Networks Ltd. is a leading provider of products and services for satellite-based communications networks. The company designs, develops, manufactures, markets and services products that enable complete end-to-end telecommunications and data networking solutions based on Very Small Aperture Terminal satellite earth stations, related central station (hub) equipment and software. With the acquisition of Spacenet from GE Americom, a subsidiary of General Electric, on December 31, 1998, Gilat now provides service offerings which include access to satellite transponder capacity, installation of network equipment, on-line network monitoring and network maintenance and repair services.

Gilat's VSAT networks are primarily used for (1) on-line data delivery and transaction-oriented applications including point-of-sale (for example, credit and debit card authorization), inventory control and real time stock exchange trading, (2) telephone service in areas that are underserved by the existing telecommunications services or in remote locations without service, and (3) Internet Protocol (IP) based networking applications such as corporate intranets, corporate training and other broadband multicasting applications.

As of December 31, 1998, Gilat had contracted for more than 110,000 interactive VSATs, representing approximately 30% of the worldwide interactive VSAT market, according to industry sources. In 1998, the company was awarded contracts which accounted for 40% of the total interactive VSATs for which contracts were awarded worldwide. Major users of our products and services include the United States Postal Service, British Petroleum, John Deere, PageNet, Rite Aid, Peugeot-Citroën and Telkom South Africa.

Since Gilat's inception in 1987, the company's growth has been significant and consistent. Gilat revenues have grown from \$24 million in 1993 to approximately \$155 million in 1998, representing a compounded annual

growth rate of over 44%.

Gilat's Top Ten

Customer	Application	No. sites
MCI / US Postal Service	Postal services	26,000 potential
GTECH	Factory worldwide	11,500
Alliance Data Systems	Gas stations	6,500
Telespazio	Financial news	4,850
Rite Aid	Retail & Intranet	4,300
IBM / Peugeot / Citroen	Automotive	4,200
ChinaSat et al	Stock news	3,800
Telkom South Africa	Rural telephony	3,000
PageNet	Paging	3,000
National Stock Exchange	Stock trading	2,100

Not listed:

Account Health

Net Pulse

USER ID: PRINT01

DATE: 3/6/02 TIME: 5:34:11 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 3

technologies, products and applications, rapid changes in the market for Gilat's products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company's proprietary technology and risks associated with Gilat's international operations and its location in Israel For additional information regarding these and other risks and uncertainties associated with Gilat's business, reference is made to Gilat's reports filed from time to time with the Securities and Exchange Commission.

Gilat Satellite Networks Ltd.
An Israeli Corporation
Condensed Consolidated Balance Sheets

GILAT Q2 2000
BALANCE SHEET
+
INC STAT

US dollars in thousands	June 30 2000 (unaudited)	December 31 1999 (audited)
Assets		
Current assets:		
Cash and cash equivalents	67,418	33,381
Short-term bank deposits and current maturities of long-term bank deposits	244,130	61,540
Short-term loan to an associated company	-	-
Accounts receivable:		
Trade	121,336	111,417
Other	101,435	71,982
Inventories	117,225	81,060
Total current assets	651,544	359,380
Investments and non-current receivables:		
Long-term bank deposits	0	50,000
Investments in companies and non-current receivables	127,010	58,534
	127,010	108,534
Property, plant and equipment:		
Cost	264,117	198,555
Less - accumulated depreciation & amortization	49,761	38,742
	214,356	159,813
Other assets and deferred charges - net	91,902	51,126
	1,084,812	678,853
Liabilities and shareholders' equity		
Current liabilities:		
Short-term bank credit	30	6,986
Accounts payable and accruals:		
Trade	52,565	39,488
Accrued expenses	29,800	27,833
Other	21,925	19,766
Total current liabilities	104,320	94,073
Convertible subordinated notes	350,000	75,000
Accrued severance pay	3,354	1,868

Inventory and Accts. Receivable
6/30/00 12/31/99
370 - 440,000 295,806
+ 375 → 3145 mm

Investment in assoc. companies 14,054
Invest. in other companies 13,133
Non-current receivables 31,347
58,534

Investments?
Receivables?
* 31 - \$100 - m

Other long-term liabilities	23,337	8,089
Total liabilities	481,011	179,030
Shareholders' equity:		
Share capital and additional paid in capital	616,259	527,116
Capital fund	(3,360)	(2,557)
Accumulated deficit	(9,098)	(24,736)
	603,801	499,823
	1,084,812	678,853

Gilat Satellite Networks Ltd.
 An Israeli Corporation
 Condensed Consolidated Income (Loss) Statements
 (Unaudited)

US dollars in thousands	Six months ended June 30		Three months ended June 30	
	2000	1999	2000	1999
Revenues	194,547	140,498	108,603	74,376
Cost of revenues	121,644	79,583	69,219	42,301
Gross profit	72,903	60,915	39,384	32,075
Research and development costs:				
Expenses incurred	16,089	11,347	8,414	5,662
Less - grants	1,037	1,016	525	835
	15,052	10,331	7,889	4,827
Selling, general and administrative expenses	41,854	31,059	22,584	16,625
Operating Income	15,997	19,525	8,911	10,623
Financial income (expenses) - net	(806)	1,076	(865)	1,457
Other income - net		58		58
Income before taxes on income	15,191	20,659	8,046	12,138
Taxes on income	(201)	(485)	(104)	(200)
Income after taxes on income	14,990	20,174	7,942	11,938
Share in profits (losses) of associated companies	372	(72)	902	148
Minority Share in losses of a subsidiary	276		276	
Net income	15,638	20,102	9,120	12,086
Basic	\$0.72	\$1.01	\$0.41	\$0.58
Diluted	\$0.65	\$0.97	\$0.38	\$0.56
Weighted average number of shares used in computation of earnings				

Handwritten note:
 * 5.7 million is one-time gain for QVT transaction

per share (in Thousands)				
Basic	21,816	19,850	22,440	20,951
	=====	=====	=====	=====
Diluted	23,910	20,707	24,247	21,755
	=====	=====	=====	=====

Contact:

Gilat Satellite Networks, McLean, Virginia
Dianne VanBeber
Vice President, Investor Relations
703-848-1515
dianne.vanbeber@spacenet.com
or
Ruder Finn, Inc., New York
Magda Gagliano
212-593-6319
gagliano@ruderfinn.com

[Email this story](#) - [View most popular stories emailed](#)

More Quotes and News: [Gilat Satellite Networks Ltd \(NasdaqNM:GILTF - news\)](#)
Related News Categories: [computers](#), [earnings](#), [telecom](#)

Copyright © 2000 Yahoo! All Rights Reserved. [Privacy Policy](#) - [Terms of Service](#)
Copyright 2000 Business Wire. All rights reserved. All the news releases provided by Business Wire are copyrighted. Any forms of copying other than an individual user's personal reference without express written permission is prohibited. Further distribution of these materials is strictly forbidden, including but not limited to, posting, emailing, faxing, archiving in a public database, redistributing via a computer network or in a printed form.
[Questions or Comments?](#)

DATE: 3/6/02 TIME: 5:34:14 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 4

- Home
- Site Map
- Jobs
- Contact Us
- G
- About Us
- Products & Services
- News & Events
- Investor Relations
- Profile
- Exec. Biography
- Case Studies
- Global Offices



Executive Biography



Shlomo Tirosh is a co-founder of Gilat and has been serving as Chairman of the Directors and the Chief Executive Officer since its inception and as President until 1999. Mr. Tirosh is also a director of Gilat Satellite Networks and served as the Chairman of the Board of Directors of Gilat Satellite Networks between 1987 and 1995. From 1987, Mr. Tirosh served in the Israel Defense Forces, where he held a variety of professional and field command positions and retired with the rank of colonel. From 1985, he headed a large research and development unit, and from 1985 to 1987 managed a large-scale technology project for the Israel Ministry of Defense. In 1987, he received the Israel Defense Award, Israel's most prestigious research and development award. Mr. Tirosh holds a bachelor of arts degree (summa cum laude) in Economics from Bar-Ilan University in Ramat Gan.

Dr. Steven W. Allen joined Gilat in February 2000 as Chairman of Gilat Communications Inc. Prior to that, Dr. Allen was the Chairman and founder of Allen Communications Inc. Allen has over 20 years of experience in the creation and implementation of innovative instructional techniques and strategies. He has been voted one of the top 100 multimedia producers, in 1996 and in 1999, by Knowledge Industry Publications, and in 1997 the Academy of Multimedia program received the Utah Governor's Award of Excellence. Allen holds an Ed.D in Educational Theory and Curriculum Development and a master's degree in music performance, both from Utah State University.

Eran Lasser joined Gilat on Jan. 2001 as Co-CEO. Since the establishment of John Bryce in 1993, Mr. Lasser successfully built Israel's leading training company with branches in Israel and Europe. Under his leadership, John Bryce became the leading IT Training group in Israel and a world wide pioneer of blended e-learning methodologies and techniques. Lasser served in Israel's Defense Forces as deputy commander of the IT Training Center and holds a degree in Computers and Mathematics from Bar-Ilan University.

Ziv Mandl joined Gilat on Jan. 2001 as Co-CEO, and was appointed to Chairman in February 2001. Since the establishment of John Bryce in 1993, Mr. Lasser successfully built Israel's leading training company with branches in Israel and Europe. Under his leadership, John Bryce became the leading IT Training group in Israel and a world wide pioneer of blended e-learning methodologies and techniques. Ziv Mandl served as chief instructor at IDF's IT Training Center, and holds a degree in Computers and Political Science from Bar-Ilan University.

Eytan Mucznik formerly John Bryce's CFO, was appointed as Gilat's CFO on July 2000. For the last four years, as CFO of John Bryce, Mr. Mucznik was involved in all financial transactions and was instrumental in placing John Bryce as an international leader in the field. From 1994 to 1997 he was a senior financial controller in various capacities at Sapiens International Corporation N.V., and prior to that, controller in a worldwide software company. Mr. Mucznik is an Israel Certified Public Accountant and holds a degree in Accounting and Economics from Tel Aviv University.



Chip Schuneman joined Gilat as Mentergy's COO on July 2000. Was previously President of Marketing and Business Development at Catapult, Inc., a wholly-owned subsidiary of IBM's Learning Services. With a background in banking, and IBM software sales, Mr. Schuneman joined Catapult in 1993 as an account executive and quickly rose through the ranks during his 7-year tenure. Schuneman's extensive

cited as key criteria leading to his appointment as COO of Mentergy. Schunema Catapult's first national sales team, and boosted Catapult's Learning Services re additional service offerings. He also helped launch Catapult's e-learning site dur organization's strategic shift from standard, public, instructor-led training classes e-learning and blended offerings.

Ray Kelly joined Mentergy as Senior VP of Sales on December 2000. In his previous position at E Ink Corporation, a pre-IPO start-up company, Kelly was responsible for worldwide sales and distribution for E Ink's Immedia display technologies. From 1998 at Hewlett Packard, Kelly was responsible for creating and leading the Hewlett Packard Retail Industry Organization, including sales, marketing and business development. Under Kelly's leadership, this team captured new business from over 100 of the top 100 retailers, achieving 372 percent sales growth in less than three years. Mr. Kelly was appointed NCR's vice president in the Retail Systems Division responsible for developing the Wal-Mart Stores Inc. account in Bentonville, AR. In that capacity he led a global team that helped Wal-Mart move to open client/server systems, implement the world's largest computer system, and grew NCR's annual revenue with Wal-Mart from \$6 million to over \$100 million.

Bill Byron Concevitch joined Mentergy as Director of Business Development in 2001. Since June 2000 he was the Senior Vice President Sales of Element K (formerly Davis Education - ZDU). From 1993 to June 2000 Mr. Concevitch held various key executive positions with ExecuTrain Corporation, including Vice President of Sales where he increased sales revenue pipelines by over 600%, and Chief Learning Officer (during that time he transformed ExecuTrain's core business from single product offering to multiple product and service offerings, and design and development of ExecuTrain University (EVU) with multiple e-learning components). Prior to his tenure with E Ink, Mr. Concevitch spent numerous years inside the Dale Carnegie Training organization serving in positions of Corporate Training Specialist and Director of Marketing in various institutes. He led his team to the winning of the coveted "President's Award," an award achieved by less than five percent of all of the worldwide Dale Carnegie Institute branches. Concevitch is a schooled recording engineer, studying under Clair D. Krepps (a Grammy award winner) at the JMSS School for Recording Arts and Sciences, received his masters in audio engineering and completing undergraduate work at Allentown (PA) St. Francis de Sales.

Hugh Simpson-Wells, MD of Aris Education, is the founder of Aris Education (formerly Oxford Computer Group, and now owned by John Bryce Training). Now, as the Managing Director, Hugh is responsible for activities throughout the UK and Europe - bringing 18 years of training industry experience, both as an entrepreneur and as a senior executive in a public company. He has a Masters degree in Engineering Science from St John's College, Oxford.

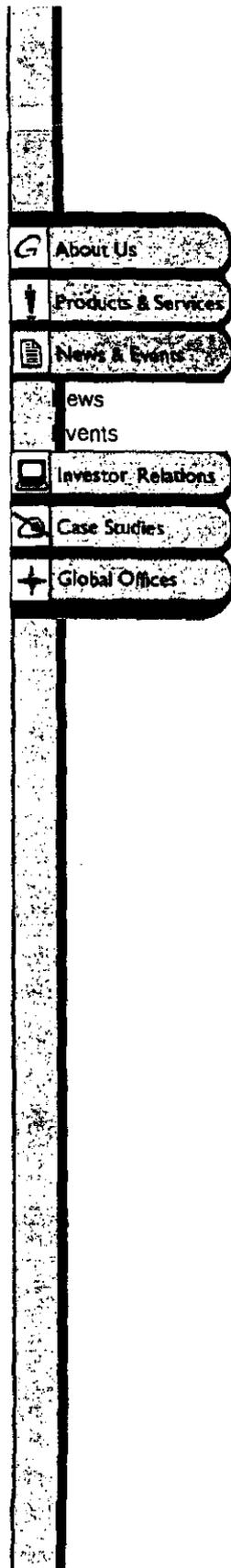
[Home](#)[Site Map](#)[Jobs](#)[Contact Us](#)

USER ID: PRINT01

DATE: 3/6/02 TIME: 5:34:16 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 5



MENTERGY ANNOUNCES ORGANIZATIONAL CHANGES AND NEW CEO

Tuesday, February 20, 2001

Atlanta, GA, February 20, 2001 - The U.S. subsidiary of Gilat Communications, Ltd. (NASDAQ:GICOF), Mentergy, Inc., a leading North American provider of enterprise e-Learning solutions, today announced that in order to increase market focus it has formed two business units, LearnLinc and Allen Communications e-Learning Services. In addition, co-CEO of Gilat Communications' Ziv Mandl has been named Chief Executive Officer of Mentergy.

Under the new organization, the LearnLinc virtual classroom division will deliver live e-Learning products, including Gilat's TrainNet broadband PC and Interactive TV training platforms. Allen Communications e-Learning Services division will focus on Mentergy's custom e-learning service—including consulting services and courseware development—as well as further development of best-in-breed e-Learning software authoring, instructional design and management tools to assist in the creation of custom e-learning. Allen Communications e-learning Services division has also created revolutionary new software that helps companies create time saving repositories of learning objects that will bring enormous savings through re-use and faster creation time. These two business units together with its IT training business in Europe and Israel complete Gilat's and Mentergy's offering worldwide.

The creation of the two divisions will allow Mentergy to provide better support to its customers and to respond to market needs faster and more efficiently, while at the same time benefiting from the synergies between the two divisions. The company has increased its marketing and sales expenditures, including extensive hires in field sales, as part of the re-organization. Mentergy will also increase its operational efficiency by reducing its workforce, and closing the company's Virginia offices. To better utilize research and development resources, Mentergy has consolidated and integrated its R&D teams into one unit located in the United States, which will take the lead in further integrating the LearnLinc and TrainNet platforms into the next generation of live e-Learning software.

As part of the re-organization, Ziv Mandl was named chief executive officer of Mentergy. Mr. Mandl, the former Co-founder and Co-CEO of John Bryce Training—also a Gilat subsidiary—will manage Mentergy on a full-time basis from the company's headquarters in Atlanta. Mr. Mandl is credited with building John Bryce Training into a leading IT training company in Israel and Europe.

Mr. Mandl will be integrally involved in focusing the company's sales and marketing activities, as well as assisting in the development of a VAR channel.

"These changes will help minimize redundancies and raise efficiencies in meeting customer expectations," said Ziv Mandl. "The series of steps we have undertaken will enable us to support expected revenue growth through 2001 and improve margins at the same time."

"The creation of two separate divisions will allow for much greater focus on core competencies, similar to what we have accomplished at John Bryce Training," adds Mr. Mandl. "In each division, we will leverage our large customer base and brand recognition, while building on strategic relationships in these distinct e-Learning market segments"

Mentergy Chairman Steve Allen said of the new organization, "I am excited that this new structure creates clear solutions for our customers. Through the two divisions, we will build on the solid base of recognition and reputation for which our Allen Communication and LearnLinc brands are known. In addition, we will continue to provide added value by offering a full host of services while retaining our technological edge and methodology in our core competency of e Learning. Whether it's live e-Learning or custom e-Learning services, our technology, service and customer expertise will continue to make Mentergy a dominant player in this market."

"Effective learning within organizations today produces results. Whether those results include higher productivity, faster product launches, increased sales, or higher retention of key employees, they all contribute to higher profit," said Chip Schuneman chief operating officer of Mentergy. "By combining the unique solutions of consulting course development and live e-learning (narrow and broadband) Mentergy leverages its 21 years of expertise to enable companies to deliver those result more quickly and in truly measurable ways."

About Mentergy

Mentergy, Inc. is a Gilat Communications, Ltd. [NASDAQ:GICOF] e-Learning company that provides a comprehensive set of e-learning products, consulting and courseware development services for large enterprises through its LearnLinc and Alien communication properties. With over 21 years of expertise in the learning industry, Mentergy assists businesses worldwide in making a cost-effective shift from traditional learning, with its inherent expense and loss of productivity, to a blended approach, which includes technology-based training solutions or "e-Learning." Mentergy's customers range from mid-size companies to Global 2000, including Aetna US Healthcare, WorldCom, Made2Manage, Citibank, Countrywide, Rockwell-Collins, Federal Reserve Bank of Philadelphia, Intel and other industry leaders. For more information, visit <http://www.mentergy.com>.

About Gilat Communications

Gilat Communications, Ltd. [NASDAQ:GICOF], is a global leader in learning using advanced, blended e-learning techniques and technologies. Gilat Communications formed Mentergy, its e-Learning operation, by merging Alien Communication, which has provided advanced courseware development services and technology-based authoring and design tools for almost 20 years to more than 60% of the Fortune 500, with LearnLinc Corporation, featuring live, collaborative Web-based training via the LearnLinc virtual classroom, used by hundreds of organizations around the world and interactive distance learning (IDL) solutions worldwide. TrainNet™, Gilat's comprehensive broadband IDL solution allows organizations to conduct instructor-led or self-paced sessions utilizing computers, telephone, Internet connections and broadband communications. John Bryce Training is Gilat's European IT training and content company, and is one of the leading providers of IT training services in Europe and the Middle East.
www.gilat.net

About John Bryce Training

John Bryce Training is a leading IT training company in Israel and Europe and a fast-growing enterprise in this field since 1994. The company offers over 200 different programs and courses, each tailor-made to suit its clients' rapidly changing needs. John Bryce trains IT professionals, managers, developers and infrastructure personnel in a wide range of subjects, and is an authorized training solution provider for companies such as Microsoft, Oracle, Sun Microsystems, Cisco, Novell, and others.
www.johnbryce.co.il

Mentergy™ is a trademark and LearnLinc® is a registered trademark of Gilat Communications. All other brand names, product names, or trademarks belong to their respective holders.

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

[Back to the news page](#)

////////////////////////////////////
USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:20 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 6

Excerpts from StarBand Communications IPO Filing
(a.k.a. Gilat-to-Home)

Filed with the U.S. Securities and Exchange Commission
on Form S-1, Oct. 11, 2000

Value: \$287,500,000 nominally

“... we do not have a chief financial officer, but we are currently conducting a search for one.”

- from SEC Form S-1 filing, p. 11

**“... we have a limited operating history and
as of August 31, 2000, we had an accumulated deficit of
approximately \$88.0 million.**

**... we expect to record substantial losses for at
least the next few years.”**

- from SEC Form S-1 filing, p. 2

Inception of Company

January 11, 2000

Financial information in this filing is for the period
January 11 through August 31, 2000, some 7 1/2 months.

3 Strategic Relationships

EchoStar
Microsoft
Gilat Satellite Networks, Ltd. and subsidiaries

Microsoft Relationship

from SEC Form S-1 filing, p. 60

In March 2000, in connection with Microsoft's investment in our company, we entered into a four-year agreement to supply wholesale broadband Internet access to MSN....**The Agreement requires us to achieve five milestones during the initial term** relating primarily to our fulfilling production levels for our StarBand modem, achieving minimum levels of MSN subscribers and other technical matters set forth in the agreement. **MSN's commitment to the agreement is contingent upon our meeting these milestones. To date, we have not completed any of the milestones set forth in this agreement....**MSN will provide a subsidy for a portion of the cost of the customer premises equipment for MSN subscribers. Pursuant to this agreement, **we agreed to pay MSN a one time fee of \$1.25 million** to offset a portion of MSN's subscriber acquisition costs.

from SEC Form S-1 filing, p. 9

"Microsoft agreed to purchase our products and network services on a wholesale basis...for a period of at least four years after our completion of milestones under our agreement with them. We have not yet, **and may never, complete these milestones.**

"If we do not complete the milestones, **Microsoft will not be required to purchase our products...**

"...if we fail to complete the milestones, Microsoft would be **permitted to sell its ownership stake in our company to Spacenet.**"

[Note: Meaning Spacenet will have to give the \$50 million back to Microsoft.]

from SEC Form S-1 filing, p. 12

[Gilat, EchoStar and Microsoft] may also develop **different business objectives** than ours. As a result, situations may arise in which their interests diverge from ours....**we expect Microsoft and EchoStar to primarily target new customers** for the MSN and DISH businesses by offering our high-speed Internet access in conjunction with their products, but we may wish to primarily focus on existing MSN and DISH subscribers as the greater opportunity to sell our service.

EchoStar Relationship

EchoStar Communications, with over 4.5 million subscribers, has agreed to co-market StarBand services to customers of its DISH television service.

from SEC Form S-1 filing, p. 9

“On February 22, 2000, we entered into a memorandum of agreement with EchoStar....**The arrangement terminates on March 31, 2001.**”

“Our arrangement with EchoStar is **not exclusive**. EchoStar may stop co-marketing with us and begin marketing services that compete with ours, such as the service offering WildBlue Communications is developing. **EchoStar has invested \$50 million in WildBlue.** We could lose our primary retail distribution channel...”

from SEC Form S-1 filing, p. 12

[Gilat, EchoStar and Microsoft] may also develop **different business objectives** than ours. As a result, situations may arise in which their interests diverge from ours....**we expect Microsoft and EchoStar to primarily target new customers** for the MSN and DISH businesses by offering our high-speed Internet access in conjunction with their products, but we may wish to primarily focus on existing MSN and DISH subscribers as the greater opportunity to sell our service.

FCC License

“The FCC granted the licenses for the two smallest remote user antennas, measuring 0.96 meters and 0.75 meters on a conditional basis **for use in up to 20,000 locations** pending the outcome of a public proceeding concerning the type of network access scheme used by many satellite data networks.”

- from SEC Form S-1 filing, p. 15

“A subsidiary of Spacenet currently has an application on file with the FCC to seek authority for communications with Telstar 7 and increase the number of 0.75m remote user locations Spacenet may operate to **100,000**.

- from SEC Form S-1 filing, p. 47

“The FCC has established guidelines for human exposure to radio frequency energy. Between the feed horn and the reflector of our VSAT dish antennas, **the radio frequency exposure exceeds the acceptable level established by the FCC.**”

- from SEC Form S-1 filing, p. 47

Lawsuits

Global Communications

On or about July 26, 2000, Globecom systems, Inc. commenced a lawsuit against us in the Eastern District of New York alleging the willful infringement of their U.S. patent relating to a particular means of transferring and receiving communications signals between a remote terminal and a network operations center via satellite....

- from SEC Form S-1 filing, p. 49

Hughes Electronics

In addition, on May 8, 2000, Hughes Electronics Corporation commenced a lawsuit against Gilat and Spacenet in the District of Maryland, alleging will full infringement of four patents....A ruling against Gilat or Spacenet would significantly harm our business because we license technology from them [Gilat] that forms part of Hughes' claim. In particular, the single potentially relevant claim is related to personal computer based receiver cards that we use as part of our service offering to consumers. We may not be able to continue to use the technology if Hughes prevails on its claim regarding this technology.

- from SEC Form S-1 filing, p. 49

Principal Stockholders

Beneficial Owner	Beneficial Ownership Prior to Offering	
	Number of Shares	Percent
Yoel Gat	3,345,338	3.8% 3.6
Officers and directors as a group	10,168,723	11.5% 10.9
Spacenet Inc.	39,423,351	44.7% 42.3
Microsoft G-Holdings, Inc.	16,748,844	19.0% 18.0
EchoStar Communications Corporation	16,755,317	19.0% 18.0
ING Furman Selz Investments	6,823,385	7.7% 7.3
		105.7% 100.1%

- from SEC Form S-1 filing, p. 55



USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:33 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 1

Gilat Satellite Networks Announces Filing of StarBand Registration Statement

October 11, 2000, Petah Tikva, Israel - Gilat Satellite Networks Ltd. (Nasdaq: GILTF) today announced that StarBand Communications Inc. ("StarBand") has filed a registration statement with the U.S. Securities and Exchange Commission for an initial public offering of common stock lead managed by Merrill Lynch & Co., with Credit Suisse First Boston, Salomon Smith Barney, CIBC World Markets and ING Barings as co-managers. Gilat, through its affiliate, owns approximately 40 percent of StarBand.

StarBand, launching nationwide service in the fourth quarter 2000, is a provider of two-way, always-on high-speed Internet access via satellite to residential and small office/home office customers across the United States.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

About Gilat Satellite Networks Ltd.

Gilat Satellite Networks Ltd., with its global subsidiaries Spacenet Inc., Gilat Europe and Gilat Florida Inc., is a leading provider of telecommunications solutions based on VSAT satellite network technology. The Company provides satellite-based, end-to-end enterprise networking and rural telephony solutions to customers across six continents, and markets interactive broadband data services. The Company is a joint venture partner, with Microsoft Corp., EchoStar Communications Corp. and ING Furman Setz Investments, in StarBand Communications Inc., America's first consumer, always-on, nationwide, two-way, high-speed satellite Internet service provider. StarBand is based in McLean, Va. SkyBlaster(TM), Skystar Advantage(R), SkyWay(TM), DialAway(R) and FaraWay(TM) are trademarks or registered trademarks of Gilat Satellite Networks Ltd. or its subsidiaries. Visit Gilat at www.gilat.com and StarBand at www.starband.com.

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

GILAT COMPANY CONTACT:

Dianne VanBeber
Vice President, Investor Relations
Gilat Satellite Networks
McLean, Virginia
703-848-1515
dianne.vanbeber@spacenet.com

GILAT IR CONTACT:

Magda Gagliano
Ruder Finn, Inc.
212-533-6319
gaglianom@ruderfinn.com

USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:34 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 2



Latest videos from ABCNEWS.com



Home Top Stories Business Tech Politics World Local Entertainment Sports Science Health Full C

Technology News - updated 3:06 PM ET Mar 9

Reuters | CNET | Internet Report | ZDNet | The New York Times | NewsFactor | MacCentral | More ...

Friday March 9 3:06 PM ET

Starband Pulls \$287.5 Million IPO

WASHINGTON (Reuters) - StarBand Communications Inc., a provider of high-speed Internet access via satellite and co-founded by Gilat Satellite Networks Ltd. (NasdaqNM:GILTF - news), EchoStar Communications Corp. (NasdaqNM:DISH - news) and Microsoft Corp. (NasdaqNM:MSFT - news), withdrew on Friday its plans to go public.

Related Quotes

DISH	28 3/8	-1 3/4
GILTF	31 9/16	-4 1/16
MSFT	55 5/8	-3 5/8
DJIA	10625.38	-232.87
NIX	195.48	-13.47
NASDAQ	2050.49	-118.24
PSE	738.54	-35.06
S&P 500	1231.64	-33.10

StarBand cited "changed circumstances in the securities markets," the communications company said in a Securities and Exchange filing.

Get Quotes delayed 20 mins - disclaimer

The company, based in McLean, Va., is the latest firm to withdraw an initial public offering due to market conditions. It was hoping to raise \$287.5 million in an IPO of common stock.

StarBand filed with the U.S. Securities and Exchange Commission (news - web sites) on October 11, 2000 for an initial public offering of common stock.

Email this story - View most popular | Printer-friendly format

Archived Stories by Date:



News Resources

- Message Boards: Post/Read Msgs
 - Conversations: Start a live discussion
 - News Alerts: Securities and Exchange Commission | EchoStar Communications Corp | Gilat Satellite Networks Ltd | Microsoft Corp
- More Alerts: News, Mobile, Stocks

USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:35 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 3

StarBand Communications Inc.
Form S-1
October 11, 2000

“Proposed Sale to the Public”

Common Shares issued and outstanding:

Actual, as of Aug 31, 2000	33,879,757
Pro forma, as of Aug. 31, 2000	88,108,650
Difference, i.e., additional common shares that will be outstanding as a result of the Offering	54,228,893
Number of common shares resulting from automatic conversion of existing preferred shares. [Upon offering all existing preferred shares convert automatically into common shares.]	54,228,893

Implications

As described by the filing, the Offering is for the purpose of converting existing preferred shares to common shares; and for providing registration of the common shares with the NASDAQ Exchange under the symbol ‘STRB’.

No new cash is provided to StarBand as an immediate result of the Offering

StarBand is not issuing any new shares under the Offering, therefore the offering is infallible; it is simply a matter of agreement among a short list of existing investors.

The accounting effect of the Offering is to reduce \$142,870,466 worth of Preferred Stock on the balance sheet to zero and increase Common Stock by a like amount with the consequent impact on stockholders’ equity:

	<u>Actual</u> <u>Aug. 31, 2000</u>	<u>Pro forma</u> <u>Aug. 31, 2000</u>
Total stockholders’ (deficit) equity	(76,770,013)	66,100,453

Due to shareholder agreements including a 180-day lockup, there will be few if any shares available immediately following the Offering for trade on the public exchange.

USER ID: PRINT01
DATE: 3/6/02 TIME: 5:34:37 AM

DOCUMENT SEPARATOR SHEET

Print Batch Document #: 4

prospectus to cover over-allotments. The international managers may similarly purchase up to an additional _____ shares from StarBand.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2000.

Merrill Lynch & Co.
Credit Suisse First Boston
Salomon Smith Barney
CIBC World Markets
ING Barings

The date of this prospectus is _____, 2000.

Table of Contents

INSIDE FRONT COVER

It's w i d e r than narrowband.

It's BIGGER than broadband.

It's StarBand.

The first

consumer
always-on
two-way
high-speed
Internet service
via satellite

StarBand Communications
[Depiction of StarBand logo]

A joint venture of Gilat Satellite Networks Ltd., EchoStar Communications Corporation, and Microsoft Corporation [Logos of Gilat Satellite Networks, EchoStar Communications Corporation, and Microsoft Corporation]

FOLD OUT PAGES

The StarBand Solution
[Satellite photo of North America is background]
StarBand Communications is creating a new category in high-speed Internet

access, bundling fast StarBand Internet access with a multi-megabit-speed content delivery service. Our service is targeted to underserved suburban and rural markets where terrestrial broadband alternatives are limited.

RELIABLE HIGH-SPEED ACCESS

- Up to 500 kilobits per second downstream speeds
- Proven technology based on Gilat Satellite Networks solution
- Single-hop architecture, independent from terrestrial networks
- Always-on connection

[photo of family using Internet]

UNPARALLELED CONSUMER EXPERIENCE

- Ultra high-speed multicast content delivery
- Exclusive StarBand Carousel(SM) technology for personalized content applications
- Always-on
- Single-dish solution for high-speed Internet and satellite television

[photo of couple using Internet]

NATIONWIDE AND SCALABLE

- Available to virtually everyone, everywhere
- Over 90% of U.S. single family households have satellite line-of-sight
- Centralized network and redundant operations

[photo of installer]

THE STARBAND CONNECTION

- Small satellite dish
- StarBand modem

[photo of the StarBand CPE]

TABLE OF CONTENTS

SUMMARY
RISK FACTORS
FORWARD-LOOKING STATEMENTS
OTHER RELEVANT INFORMATION
USE OF PROCEEDS
DIVIDEND POLICY
CAPITALIZATION
DILUTION
SELECTED FINANCIAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
BUSINESS
MANAGEMENT
PRINCIPAL STOCKHOLDERS
RELATED PARTY TRANSACTIONS
DESCRIPTION OF CAPITAL STOCK
DESCRIPTION OF INDEBTEDNESS
SHARES ELIGIBLE FOR FUTURE SALE
MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR
NON-U.S. HOLDERS
UNDERWRITING
LEGAL MATTERS
EXPERTS
WHERE YOU CAN FIND ADDITIONAL INFORMATION
INDEX TO FINANCIAL STATEMENTS
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
AMENDED AND RESTATED BYLAWS
CONSENT OF ERNST & YOUNG LLP
Financial Data Schedule

TABLE OF CONTENTS