

GILAT SATELLITE NETWORKS LTD
Form 6-K
January 21, 2010

FORM 6 – K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report on Foreign Issuer

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

For the Month of January 2010

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

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

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

Form 20-F S Form 40-F £

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

Yes £ No S

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

Attached hereto is Registrant's press release dated January 21, 2010 announcing that Registrant has extended its service agreements with Colombian Ministry of Communications.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Gilat Satellite Networks Ltd.
(Registrant)

Dated: January 21, 2010

By: /s/ Rachel Prishkolnik
Rachel Prishkolnik
Corporate Secretary

Gilat extends service agreements with Colombian Ministry of Communications

Petah Tikva, Israel, January 21, 2010 – Gilat Satellite Networks Ltd. (Nasdaq: GILT), a worldwide leader in satellite networking technology, solutions and services, today announced that the Ministry of Communications in Colombia has extended and amended the agreements for the provision of services under the Rural Communitarian Telephony (Compartel II) and Telecentros projects for an additional one-year term, through December 2010.

Gilat had previously announced that these agreements were to end December 31, 2009 and as such, the Company could not anticipate further revenues from these projects. The current extension for continued service provides for a government subsidy of approximately \$1 million per month, which is dependent upon meeting certain installation schedules, performance indicators and providing similar services to those provided over the past year. Under the terms of the amended agreement, Gilat has also agreed to transfer 300 telecenters from their present location to other sites, where no other means of communication are available.

“The extended agreement enables us to continue working towards the goal of ensuring that every Colombian is connected and informed, especially in the most remote regions of the country, which is one of the main goals of our Ministry,” stated, Daniel Medina, Deputy Minister of Technology Information and Communications of Colombia. “To this end, we get involved in helping reach the less affluent Colombians, in places where no one else would assist without the help of the government and the participation and commitment of Gilat.”

In prior releases, Gilat announced that it had reached new agreements with the Colombian Ministry of Communications which, if Gilat performed, were to enable the release of \$24 million from trust accounts. These amounts have been fully released and in October 2009, the government signed on an initial three months extension of the agreements.

About Gilat Satellite Networks Ltd.

Gilat Satellite Networks Ltd. (Nasdaq: GILT) is a leading provider of products and services for satellite-based communications networks. The Company operates under three business units: (i) Gilat Network Systems, a provider of network systems and associated professional services to service providers and operators worldwide; (ii) Spacenet Inc., a provider of managed services in North America to the business and government segments; and (iii) Spacenet Rural Communications, a provider of rural telephony and Internet access solutions to remote areas primarily in Latin America.

Gilat was founded in 1987 and has shipped over 750,000 Very Small Aperture Terminals (VSATs) to more than 85 countries across six continents. Gilat's headquarters is located in Petah Tikva, Israel. The Company has 16 sales and service offices worldwide. Gilat markets a full line of high-performance VSATs under the SkyEdge™ and SkyEdge II Product Family.

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

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