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RSTAR CORP
Form 425
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Subject Company: rStar Corporation
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On July 19, 2002, Gilat Satellite Networks Ltd. and rStar Corporation issued
the following joint press release:

FOR IMMEDIATE RELEASE
July 19, 2002

RSTAR CORPORATION AND GILAT SATELLITE NETWORKS LTD.
ANNOUNCE VALUE OF CASH CONSIDERATION FOR THE EXCHANGE OFFER

SAN RAMON, CALIFORNIA, AND PETAH TIKVA, ISRAEL, JULY 19, 2002 - rStar Corporation (Nasdaq: RSTR) and Gilat Satellite Networks Ltd. (Nasdaq: GILTF), a worldwide leader in satellite networking technology, announced today in connection with the exchange offer for up to 6,315,789 shares of rStar common stock that the average closing market price for the Gilat ordinary shares over the 10-day trading period from July 5, 2002 to July 18, 2002 is \$0.93. Accordingly, based upon the formula in the Offer to Exchange dated June 25, 2002, the final value of the cash consideration that will be offered in exchange for each share of rStar common stock is \$1.58. Note that the final value of the cash consideration is subject to change if rStar and Gilat are required to extend the expiration date for the exchange offer because certain conditions to the exchange offer, as described in the Offer to Exchange, have not been satisfied or, where permissible, waived.

In addition, rStar stockholders will receive 0.0738 of a Gilat ordinary share for each share of rStar common stock that they validly tender in the exchange offer. Based upon the last reported closing price for the Gilat ordinary shares on the Nasdaq National Market on July 18, 2002, this fraction of a Gilat ordinary share has a value of approximately \$0.06. rStar stockholders are urged to obtain current market quotations for Gilat ordinary shares, as well as their shares of rStar common stock.

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL ANY SHARES OF rSTAR'S COMMON STOCK. THE SOLICITATION OF OFFERS TO BUY rSTAR'S COMMON STOCK WILL ONLY BE MADE PURSUANT TO THE OFFER TO EXCHANGE AND RELATED MATERIALS THAT rSTAR AND GILAT MAILES TO rSTAR'S STOCKHOLDERS. rSTAR STOCKHOLDERS SHOULD READ THOSE MATERIALS CAREFULLY BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING THE VARIOUS TERMS AND CONDITIONS TO THE EXCHANGE OFFER.

ABOUT GILAT SATELLITE NETWORKS LTD.

Gilat Satellite Networks Ltd., with its global subsidiaries Spacenet Inc. and Gilat Latin America, is a leading provider of telecommunications solutions based on Very Small Aperture Terminal (VSAT) satellite network technology - with nearly 400,000 VSATs shipped worldwide. Gilat markets the Skystar Advantage, DialAw@y IP, FaraWay, Skystar 360E and SkyBlaster* 360 VSAT products in more

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than 70 countries around the world. 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 in SATLYNX, a provider of two-way satellite broadband services in Europe, with SES GLOBAL and, following the execution of a definitive agreement and regulatory approval, Alcatel Space and SkyBridge, subsidiaries of Alcatel. Skystar Advantage(R), DialAw@y IP(TM) and FaraWay(TM) are trademarks or registered trademarks of Gilat Satellite Networks Ltd. or its subsidiaries. Visit Gilat at www.gilat.com. (*SkyBlaster is marketed in the United States by StarBand Communications Inc. under its own brand name.)

ABOUT rSTAR CORPORATION

rStar (Nasdaq: RSTR) through its r)Star Broadband Networks, Inc. subsidiary, develops, provides and manages satellite-based networks for large-scale deployment across corporate enterprises, educational systems, and user communities of interest. rStar's core products include remote high-speed Internet access, data delivery, high-quality video and networking services distributed through its satellite broadband Internet gateway and bi-directional solutions. rStar's technology assures instantaneous, consistent, secure and reliable delivery of content within the rStar network. rStar is located in San Ramon, California, and can be reached at 925-543-0300 or at www.rstar.com on the Web.

IMPORTANT LEGAL INFORMATION

This announcement is neither an offer to purchase shares nor a solicitation of an offer to sell securities. Also, this announcement is not a recommendation with respect to the exchange offer. Gilat has filed a post-effective amendment to its registration statement, of which the Offer to Exchange dated June 25, 2002 is a part, and rStar and Gilat have also filed a tender offer statement regarding the exchange offer. The post-effective amendment to the registration statement and tender offer statement were originally filed with the U.S. Securities and Exchange Commission on June 25, 2002 and February 14, 2002, respectively. We advise all security holders to read the post-effective amendment to the registration statement and the tender offer statement, as well as the amendments to each of these filings, because they contain important information. You can obtain the Gilat post-effective amendment to the registration statement, of which the Offer to Exchange is a part, the rStar and Gilat tender offer statement, and other filed documents for free at the Securities and Exchange Commission's website (www.sec.gov). You can also obtain such documents for free from rStar or Gilat.

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 rStar and 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. For additional information regarding these and other risks and uncertainties associated with rStar and Gilat's business, reference is made to rStar's and Gilat's reports filed from time to time with the Securities and Exchange Commission.

The safe-harbor provided by the Private Securities Litigation Reform Act of 1995 is not available to forward-looking statements made in the context of the exchange offer for rStar shares.

FOR FURTHER INFORMATION:

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