

Pilat Technologies International Ltd

Expression of Interest in a Merger

Pilat Technologies International Ltd (“PTI” or the “Company”) announces that, on 11 October 2009, the Company's board of directors via its chairman has received a fax from Adam_Milo,(the "Document") . Adam Milo is a private Israeli company engaged in the provision of assessment, recruitment and organisational consulting services that competes with the Company's businesses in Israel. To the best of the Company’s knowledge, Adam-Milo is controlled by a consortium of investors including the Sky Private Equity Fund (the “Sky Consortium”), who also control 23 per cent. of the issued share capital of PTI.

The Document contains a non binding expression of interest to purchase all the shares of the Company by way of triangular reverse merger, subject to the following conditions:

- The purchase price per share will be NIS1.05.
- Approval of the Authority supervising Restrain on Trade.
- Approval of the Board of directors and shareholders of the Company and Adam-Milo.
- The execution of a merger agreement.
- Keeping the details of the proposed transaction confidential.

The Document has not yet been brought for deliberations before the board and there is no assurance that the board will decide to start any negotiation with Adam-Milo.

On October 15 it came to the attention of the Company that details of the document came to the attention to certain employees of the Company and therefore the Company has issued the above report.

Pilat Technologies International Ltd
Chaim Helfgott, Corporate Secretary

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