

29 May 2014

TELIT COMMUNICATIONS PLC

("Telit" or the "Company")

Update

Oozi Cats, Telit's Chief Executive, closes the deal to increase his holdings in the Company

Telit Communications PLC (AIM: TCM) is pleased to announce that, on 29 May 2014, Oozi Cats, Telit's CEO and executive director closed the previously announced agreement and increased his direct holdings in the Company by 7,800,000 ordinary shares ("Ordinary Shares"). Mr. Cats acquired 50% of Boostt B.V.'s shares ("Boostt"), a holding company in which Mr. Cats previously held 50% through a company under his sole control. The effective price per share, taking into account the financing, transaction costs and Equity Kicker (as described below), is approximately 280 pence.

At the closing of the transaction Boostt, which previously held 15,600,000 Ordinary Shares, transferred 1,080,000 Ordinary Shares (the "Equity Kicker") to Viola Credit Funds ("Viola"), as detailed below. Following the closing Mr. Cats now holds 100% of Boostt's shares, which holds 14,520,000 Ordinary Shares ("Boostt's Shares"). Following this acquisition, Mr. Cats owns or is directly interested in 22,200,357 Ordinary Shares, representing 20.17% of the issued share capital of the Company.

Mr. Cats financed the acquisition by an interest bearing secured loan from Viola of approximately \$25.5 million (the "Loan"). The principal of the Loan will be repaid in one payment on the third anniversary of the closing of the acquisition (the "Maturity Date"), while the interest will be partially repaid in instalments and the balance together with the principal amount. Viola can extend the Maturity Date to the fourth anniversary of the closing and Mr. Cats has the right, under certain circumstances, to make an early repayment of all, or part of the Loan. The Equity Kicker may increase by an additional 120,000 shares from Boostt if the Company's share price is 194p or less on the Maturity Date. A pledge has been registered on the Boostt Shares in favour of Viola as a security interest for the Loan; such pledge shall decrease over the life of the Loan, in-line with any prepayments. Mr. Cats shall retain, during such time, the voting rights in connection with the Equity Kicker shares. Any dividends paid by Telit during the life of the Loan and received on account of Boostt's Shares or Mr. Cats' other holdings in the Company must be used to repay the Loan.

Mr. Enrico Testa, the Company's chairman, has previously been disclosed as being interested in all of Boostt's holdings in Telit due to his holding in Wireless Solution Management S.r.l. (the vendor of the shares acquired) as well as Boostt. Following this deal Mr. Testa is no longer deemed to hold any interest in Boostt and will have personal holdings of 1,500,000 Ordinary Shares. Moreover, Mr. Testa is the Chairman of GT S.r.l.

("GT"), which owns 755,365 shares, and is therefore deemed interested in all of GT's shares, for a total interest in 2,255,365 shares

About Viola Credit (formerly Plenus)

Viola Credit, founded in 2000, is Israel's leading lending fund. Viola Credit offers equity based loans to growing companies in the technology market. Led by a team of credit, banking, operational, and technology experts, Viola Credit is poised to provide companies with tailor-made flexible financing solutions designed to meet their specific needs. With over \$320m under management, Viola Credit, managed by Moti Weiss, Ruthi Simha, Shlomo Karako, Ran Oz and Timor Arbel-Sadras has completed over 100 lending transactions and has seen over 20 exits to date. Among portfolio companies are myThings, Clarizen, Borderfree (formerly Fiftyone), Clicktale and Matomy. Viola Credit is a member of the Viola Group, Israel's premier technology-focused PE group with over \$2 billion under management. For more information, please visit www.violacredit.com

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