

25 April 2008

Adamind Ltd.

Instructions to Shareholders relating to Cash Distribution

Dear Shareholder,

On 10 April 2008, the Company announced that it had obtained a ruling from the Israeli Tax Authority relating to the tax amounts to be withheld from the cash, which is to be distributed by the Company to its shareholders and Depository Interest holders on the register as at the record date of 12 March 2008 (collectively, the "Shareholders"). The total cash subject to this distribution is approximately \$19.2 million.

This letter provides Shareholders with additional information relating to the process of the distribution and the related withholding of taxes and also provides instructions for what they have to do in order to receive the withheld monies:

1. On 25 April 2008, the Company posted to the Shareholders an amount equal to either 75% or 80% of the respective amounts to which they are entitled under the cash distribution. Holders of Depository Interests will receive their portion of the cash distribution through CREST. Cheques will be sent by mail to shareholders who hold their shares in certificated form. The Company will retain the withheld amounts. As stated in the Company's announcement of 10 April 2008, the cash distribution is subject to the maximum capital gains withholding rate prescribed by Israeli law (being currently 20% with respect to individual persons holding 10% or less of the Company's share capital and 25% with respect to all other shareholders). Since many of the Shareholders hold their shares through nominees and brokers, the Company may be unable to determine which Shareholders are subject to the 25% withholding and which Shareholders are subject to the 20% withholding. Where the Company is unable to make such determination, it will in the first instance withhold 25% of the respective amounts to which the respective Shareholders are entitled under the cash distribution. Thereafter, such Shareholders may be able to receive the withheld amounts, as below.
2. Following discussions with the Israeli Tax Authority and the Company's advisors, the following principles will apply to the payment of the withheld amounts to Shareholders:
 - (I) Residents (both individual persons and entities) of countries that are signatories to a treaty with Israel for the prevention of double taxation (each such country, a "Treaty Country") may receive the withheld amounts either:
 - (i) if they deliver to the Company (A) confirmation of residence from the tax authorities of the Treaty Country in which they reside and (B) the form of Declaration for Purposes of Israeli Tax Withholding attached hereto as Exhibit A (the "Declaration") in which they confirm that (1) they are not Israeli residents (as set forth in the Declaration) and that (2) they purchased the shares after the Company's IPO. For the avoidance of doubt the Company has been advised that any shares purchased as Placing Shares at the time of the Company's IPO will be classified as purchased after the IPO for these purposes; or
 - (ii) upon liquidation of the Company, provided that it is consummated by 31 July 2009, if they deliver to the Company, at the time of such

liquidation, the Declaration (but without the need to provide the confirmation referred to in clause (i)(A) above).

Please also note that, after the payment of \$19.2 million, the Company will continue to hold approximately \$4 million (in addition to the amount of \$550,000 held in escrow as part of the consideration for the assets sold by the Company to Mobixell Networks (Israel) Ltd. in April 2007). This remaining cash is being held as instructed by the Israeli court that approved the cash distribution, primarily in connection with tax exposures both in Israel and the U.S. and projected liabilities that the Company expects to incur between now and its liquidation. The Company is currently engaged in negotiations with the tax authorities in Israel and in the U.S., and it does not expect such negotiations to be finalized before the end of 2008. Upon completion of such negotiations, the Company will update its shareholders as to the net funds available for a final distribution.

Therefore, in order to receive the withheld amounts from the \$19.2 million distribution prior to the Company's liquidation, the foregoing Shareholders should send directly to Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom ("Capita"), the confirmation referred to in clause 2(I)(i)(A) above and the attached Declaration. Shareholders who hold their shares or depositary interests through a nominee or broker should return the confirmation or Declaration through the nominee or broker, who will forward same to Capita. It is recommended that all confirmations and Declarations be returned as soon as possible and in any event by no later than 30 June 2008, to ensure that payment is made with the minimum of delay. The Company currently expects to complete the payment of withheld amounts to eligible Shareholders by the end of July 2008 to those shareholders who have provided the necessary confirmations and Declarations by 30 June 2008.

Both the initial funds as well as any withheld amounts that are paid to Shareholders (who are not holders of Depository Interests) will be distributed in cheques by mail, and therefore actual receipt of funds may take a few days after distribution to shareholders through nominees or brokers. Both the initial funds as well as any withheld amounts that are paid to Shareholders who are holders of Depository Interests, will be distributed through CREST in accordance with established CREST procedures.

Note that each Shareholder that holds shares or Depository Interests through a broker or nominee must sign the Declaration and provide the tax residency confirmation themselves. Declarations and/or tax residency confirmations signed and/or provided by brokers or nominees will not suffice. Nominees and brokers are requested to provide to Capita, along with the tax confirmations referred to above, the Declarations of the shareholders whose shares are held through such nominees and brokers (and which were provided by the shareholders to such nominees and brokers), together with a list of all the beneficial holders for which such nominees and brokers are holding the shares. This list shall include the names of each beneficial owner and the number of shares/depositary interests of such beneficial holder.

- (II) Individual persons that are residents of non Treaty Countries will receive the withheld amounts upon liquidation of the Company, provided that it is consummated by 31 July 2009, if they deliver to the Company, at the time of such liquidation, the Declaration.
- (III) Israeli shareholders (both individuals and entities) and entities that are residents of non Treaty Countries cannot receive the withheld amounts unless they provide to the Company a specific exemption from the Israeli Tax Authority.

3. Upon receipt by the Company of the documents required for the payment to Shareholders of the withheld amounts as set forth above, the Company will deliver to such Shareholders the amounts withheld from them (or portions thereof, as the case may be). However, if the Company's liquidation is not consummated by 31 July 2009 (subject to extensions that may be approved by the Israeli Tax Authority), all withheld amounts that remain in the Company's possession as of 31 July 2009 shall be transferred to the Israeli Tax Authority and the Company will no longer have any obligation towards the Shareholders with respect to the payment of any withheld amounts. In addition, if the Company's liquidation is consummated by 31 July 2009, all withheld amounts with respect to which Shareholders do not provide to the Company the Declaration (as described in clauses (i) and (ii) of Section 2 above) and that are in the Company's possession as of the time of such liquidation shall be transferred to the Israeli Tax Authority and the Company will no longer have any obligation towards the Shareholders with respect to the payment of any withheld amounts.
4. The Company acknowledges that Shareholders have previously been provided with tax status declaration forms, but asks that Shareholders complete the attached Declaration, pay particular attention to the required documentation listed therein, and return to Capita the executed Declaration along with the required documentation listed therein.
5. Any queries concerning the completion of the cash distribution should be made to Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the cash distribution nor give any financial, legal or tax advice.

We remain committed to distribute to the Shareholders the Company's assets, and look forward to completing the cash distribution, including the amounts initially withheld, all in accordance with the foregoing. If we can be of any assistance, please do not hesitate to contact us.

Sincerely,

Dr. Orna Berry
On Behalf of the Board of Directors
Adamind Ltd.

Exhibit AForm of Declaration for Purposes of Israeli Tax Withholding

Pursuant to the Israeli Tax Ruling granted to Adamind Ltd. (the "**Company**") each shareholder claiming a non-residence status is required to complete and execute the declaration set forth below in order to enjoy certain tax benefits, as described in the Ruling.

Please attach to this declaration an approval from your country's tax authority, translated to English, approving your residency in such foreign country.

A. Shareholder Information

Name:	Passport No./Corporation No:	Type of beneficial: Legal Entity <input type="checkbox"/> Individual <input type="checkbox"/> Trust Beneficiary <input type="checkbox"/> Company all of Whose members are Non-residents <input type="checkbox"/>
In respect of an individual		In respect of a legal entity
Date of birth:	The country in which it was incorporated: The country in which control and management are conducted:	
Country of residence:		
Country of citizenship:		
Country issuing passport:		
Passport valid until:		
Permanent Address (country, city, street, house or apartment number):		
Mailing Address:		Beneficial Telephone number:

With regard to an individual:

I declare that I am not an Israeli resident because (please check **all** applicable box):

- 1. The State of Israel is not my permanent place of residence.
- 2. The State of Israel is neither my place of residence nor my family's place of residence.
- 3. My ordinary or permanent place of activity is not within State of Israel, and I do not have a permanent establishment in the state of Israel.
- 4. This year, I did not stay and I do not intend staying in Israel for 183 days of more.
- 5. This year, I did not stay in Israel and I also do not intend to stay in Israel for 30 days or more and my total stay in Israel this year and in the two preceding years will not reach in aggregate 425 days.
- 6. I am not insured with the National Insurance Institute in the State of Israel.
- 7. I purchased the shares of Adamind Ltd after February 21, 2005 the date of the company's listing for trading.

With regards to a legal entity:

I declare that I am not an Israeli resident because (please check **all** applicable box):

- 1. The State of Israel is not my permanent place of residence.
- 2. My ordinary or permanent place of activity is not within State of Israel, and I do not have a permanent establishment in the State of Israel.
- 3. Neither the control nor the right to profits in the company is held directly or indirectly by an Israeli resident.
- 4. I am not registered in Israel.
- 5. I purchased the shares of Adamind Ltd. after February 21, 2005 the date of the company's listing for trading.

I hereby declare that the statements herein are full and correct and understand that the Company will rely on these statements in calculation of the tax liability.

I am aware that any omission or the making of any incorrect detail in this Form gives rise to a criminal offence.

_____ _____
Date: Name:

Signature:

Company Stamp: _____