THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

BATM Advanced Communications Ltd.
(incorporated and registered in Israel under number 52-0042813)

NOTICE OF ANNUAL GENERAL MEETING

International H.Q.

Neve Ne'eman Industrial Park

4, Ha'harash street

PO Box 7318, Hod Hasahron, 45240 Israel.

52-0042813 – Registered in Israel

Chairman's letter

4 June 2012

Dear Shareholder

Annual general meeting

I am pleased to enclose the notice to the annual general meeting of the company to be held at the offices of finnCap Limited, 60 new Broad street London, EC2M 1JJ, on 2 July 2012 at 11.00 am.

Recommendation

The directors of the company consider that all such proposals to be considered at the extraordinary general meeting are in the best interests of the company and its members as a whole and are most likely to promote the success of the company for the benefit of its members as a whole.

The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do so in respect of their own beneficial holdings to the extent that they have any.

Yours sincerely,

Peter Sheldon

Chairman

NOTICE OF ANNUAL GENERAL MEETING OF BATM ADVANCED COMMUNICATIONS LTD.

Notice is hereby given that the Annual General Meeting of BATM Advanced Communications Ltd. will be held at the offices of finnCap Limited, at 60 new Broad Street, London on Monday, 2 July 2012 at 11.00 a.m. to consider, and if thought fit, to pass the following ordinary resolutions:

Ordinary resolutions

1 To receive, consider and adopt the Company's audited annual accounts for the financial year ended 31 December 2011 together with the last directors' report and the auditors' reports on those accounts.

2. To receive, consider and accept the report of the Company's remuneration committee for the financial year ended 31 December 2011 together with the auditors' reports on the auditable part of the remuneration report.

3 To appoint the auditors of the Company (Brightman Almagor Zohar & Co., a member firm of Deloitte Touche Tohmatsu) as external auditors for the 2012 financial year and to authorise the board of directors to fix the auditors' remuneration for such period.

4 Election of directors (Note 1)

To re-elect the directors mentioned in section 4.1- 4.4 below for an additional term until the next Annual General Meeting of the Company:

4.1 Mr. Peter Sheldon

4.2 Dr. Zvi Marom;

4.3 Mr. Ofer Barner.

4.4 Dr. Gideon Chitayat

and to elect the nominee-director mentioned in section 4.5 below as independent external director for a three year term (Note 2):

4.5 Mrs. Elka Nir.

5 To adopt and approve the director's remuneration offered by the company to the nominated external director, as detailed in part 2 of the Appendix to this notice of the AGM.

6 Approval of an incentive package to the company's Chief Financial Officer and director, as detailed in part 3 of the Appendix to this notice of the AGM (Note 3).

7 Any other business.

Special Business

To consider and, if thought fit, to pass the following resolution as a special resolution (Note 4):

8. That the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006 (the 'Act')) on the London Stock

Exchange of ordinary shares of NIS 0.01 each in the capital of the Company ("ordinary shares") provided that:

8.1 the maximum aggregate number of ordinary shares hereby authorised to be purchased is 60,000,000 ordinary shares;

8.2-the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of its own shares in pursuance of such contract.

8.3-the minimum price which may be paid for the ordinary shares is their par value and the maximum price (excluding expenses) which may be paid for the ordinary shares is an amount equal to the higher of: (a) 5% above the average of the middle market quotations of an ordinary share as derived from the Daily Official List of the London Stock Exchange Plc for the 5 business days before the purchase is made and (b) the value of an ordinary share calculated on the basis of the higher of the price quoted for the last independent trade and the highest current independent bid for any number of ordinary shares on the trading venue where the purchase is carried out;

8.4-the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or, if earlier, on 30 June 2013.

Note 1: Details of the current remuneration terms under which the above directors are engaged are contained in the Annual Report.

Note 2: Under the Israeli Companies Law 1999, the term of an external director is three years. Nominees for external directors must be appointed by a special vote of the shareholders' meeting which complies with one of the following conditions: (a) the majority vote in favour of the nominee shall comprise a majority of all the shareholders which were present (in person or by proxy) at the vote who are not a controlling party or having a personal interest in the appointment (and the votes of those abstaining will not be counted); **or** (b) the aggregate number of those voting against the nominee shall not exceed two percent of the aggregate voting rights in the company. A summary of Mrs. Nir's resume can be found in part 1 of the Appendix. The full resume is available for inspection at the Company's corporate offices during normal business hours.

Note 3: The company's Remuneration & Audit Committee as well as the Board resolved to approve payment of a one-time bonus to the CFO in an amount of USD $25,000 as recognition for his special efforts in a very difficult year while expending extra time in taking care of two material matters that were outside the scope of his normal responsibilities. A summary of his current employment terms are set forth in part 3 of the Appendix.

Note 4: Resolution 8 constitutes special business and is proposed as a special resolution. The special resolution requires a 75% majority of votes to be passed.

The effect of Resolution No.8 is to grant the Company authority to purchase its own ordinary shares, up to a maximum of 60,000,000 ordinary shares, until the Annual General Meeting in 2013 or 30 June 2013 whichever is the earlier. This represents 14.8% of the ordinary shares in issue as at 4 June 2012 (excluding shares held in treasury) and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable.

Shares purchased may be cancelled or held in treasury, sold for cash or used to meet the Company's obligations under its employee share schemes. The resolution is proposed to ensure the Directors have the flexibility to act in the Company's best interests if the requirement arises. No purchase will be made unless the expected effect will be to increase earnings per share.

No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares.

Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

Dated: 4 June 2012

By order of the board
Dr Zvi Marom
Chief Executive Officer

Company number: 52-0042813

Registered office: Neve Ne'eman Industrial Park 4, Ha'harash street

PO Box 7318, Hod Hasahron, 45240 Israel.

1. Any member entitled to attend and vote at the meeting may appoint one or more proxies to attend and on a poll to vote instead of that member. A proxy need not be a member of the Company. The completion of a form of proxy will not prevent a member from attending and voting at the meeting. **In order to be valid, proxy forms must be lodged at either Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or at the registered office of the Company in Israel marked for the attention of the CFO not less than 48 hours prior to the meeting. A form of proxy appears on the following page.**

2. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

3. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form, please contact the Company Registrars Capita Registrars.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

4. In the case of holders of depositary interests representing shares in the Company, a form of direction must be completed in order to direct Capita IRG Trustees Limited, the Depositary, to vote on the holder's behalf at the meeting (in person or by proxy) or, if the meeting is adjourned, at the adjourned meeting. **In order to be effective, a completed and signed form of direction (and any power of attorney or other authority under which it is signed) must be delivered to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 72 hours before the time fixed for the meeting or any adjourned meeting.** A form of direction appears on the penultimate page of this notice.

5. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

6. Copies of the directors' service contracts with the Company or any of its subsidiary undertakings together with the register of directors' share interests will be available for inspection at the registered office of the Company during normal business hours (weekends and public holidays excepted) from the date of this notice up to and including the date of the Annual General Meeting.

7. As at 11.00 a.m on 4 June 2011, the Company's issued share capital comprised 402,915,820 ordinary shares at 0.01 NIS each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 11.00 a.m. on 4 June 2011 is 402,915,820.

8. If you do not have a proxy form or form of direction and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 if calling from the UK (calls cost 10p per minute plus network extras) or +44 (0)208 639 3399 if calling from outside the UK.

9. You may not use any electronic address provided either:

   9.1 in this notice of annual general meeting; or

   9.2 any related documents (including the chairman's letter and proxy form)

   to communicate with the Company for any purposes other than those expressly stated.

Form of proxy
For use at the 2012 Annual General Meeting
of BATM Advanced Communications Ltd.

I/We ……

of ………

being a member of the Company hereby appoint ……………………………….……………/the Chairman of the meeting to act as my/our proxy and to vote for me/us as indicated below with an "X" at the Annual General Meeting of the Company convened for Monday, 2 July 2012 at 11 a.m.

Date …………………………………………..

Signed …………………………………………..

Please indicate how you wish to vote with an "X" in the appropriate box opposite each resolution. If no specific indication as to voting is given the proxy will vote or abstain in his direction as he will on any other matter arising at the meeting.

ORDINARY RESOLUTIONS

	FOR	**AGAINST**
1. Receipt of directors' report and annual accounts	☐	☐
2. Acceptance of report of the remuneration committee	☐	☐
3. Re-appointment of auditors	☐	☐
4. Election of directors		
4.1 Re-appointment of Peter Sheldon	☐	☐
4.2 Re-appointment of Dr. Zvi Marom	☐	☐
4.3 Re-appointment of Ofer Barner	☐	☐
4.4 Re-appointment of Dr. Gideon Chitayat	☐	☐
4.5 Appointment of Mrs. Nir as external director	☐	☐
5. Approval of the remuneration to the new external director	☐	☐
6. Approval of an incentive package to the company's Chief Financial Officer and his current terms of employment	☐	☐

SPECIAL RESOLUTION

8. Approval and authorisation of the Company to purchase its own shares as detailed in Resolution No. 8	☐	☐

Notes:

1 This form of proxy to be valid must be deposited with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or at the registered office of the Company not less than 48 hours before the time fixed for the meeting.

2 In the case of a corporation this proxy should be under its common seal, or if not so required under the hand of an officer duly authorised in writing.

3 In the case of joint holders the signature of any one of them will suffice but the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for the purposes seniority shall be determined by the order in which the names stand on the Company's register of members in respect of the joint holding.

4 Any alteration made in the form of proxy should be initialled.

Form of direction

For use by holders of depositary interests representing shares on a one for one basis in the Issuer Company in respect of the Annual General Meeting of BATM Advanced Communications Limited, convened for Monday 2 July 2012 at 11 a.m.]

I/We ……………………………………………………………………………………………………

of ………………………………………………………………………………………………………

being a holder of depositary interests representing shares in the Issuer Company hereby direct Capita IRG Trustees Limited, the Depositary, to vote for me/us and on my/our behalf in person or by proxy at the Annual General Meeting of the Issuer Company to be held on the above date (and at any adjournment thereof) as directed by an "X" in the appropriate box opposite each resolution. **If no indication is given, you will be deemed as instructing the Depository to abstain from voting.**

ORDINARY RESOLUTIONS

	FOR	AGAINST
1. Receipt of directors' report and annual accounts	☐	☐
2. Acceptance of report of the remuneration committee	☐	☐
3. Re-appointment of auditors	☐	☐
4. Re-election of directors		
4.1 Re-appointment of Peter Sheldon	☐	☐
4.2 Re-appointment of Dr. Zvi Marom	☐	☐
4.3 Re-appointment of Ofer Barner	☐	☐
4.4 Re-appointment of Dr. Gideon Chitayat	☐	☐
4.5 Appointment of Mrs. Nir as external director	☐	☐
5. Approval of the remuneration to the new external director	☐	☐
6. Approval of an incentive package to the company's Chief Financial Officer and his current terms of employment	☐	☐

SPECIAL RESOLUTION

	FOR	AGAINST
8. Approval and authorisation of the Company to purchase its own shares as detailed in Resolution No. 8	☐	☐

Signature: ………………………………….. Date: …………………………………

Notes:

1 To be effective, this form of direction and the power of attorney or other authority (if any) under which it is signed, or a notarised or otherwise certified copy of such power of attorney, must be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 72 hours before the time appointed for holding the meeting.

2 Any alterations made to this form of direction should be initialled.

3 In the case of a corporation this proxy should be given under its common seal or under the hand of an officer or attorney duly authorised in writing.

4 Please indicate how you wish your votes to be cast by placing "X" in the box provided. On receipt of this form duly signed, you will be deemed to have authorised Capita IRG Trustees Limited to vote, or to abstain from voting, as per your instructions.

APPENDIX

Part 1

Summary of Resume of the nominated external director

Mrs. Nir holds a BSc degree from the Technion Institute in Haifa in Computer Science (1986) and a diploma in Business Administration from the University of Haifa (1996). She currently holds the position of director (and chairwoman) in several medical companies, two of which are publicly traded on the Tel-Aviv Stock Exchange and is also a venture partner in Giza Venture Capital (in the life sciences field) which manages 600 million USD in its funds. She has over twenty years' experience in leading dynamic cutting edge technology organizations and held senior managerial positions in leading global medical and healthcare corporations including Biosense Webster, Johnson & Johnson, GE Healthcare and Elscint.

Part 2

Remuneration offered to the nominee- external director

The remuneration offered to Mrs. Nir, the nominee for external director who has financial expertise is in accordance with the Israeli Companies Regulations (rules concerning remuneration and expenses to external directors), namely an annual fee of NIS 97,500 and a per meeting participation fee of NIS 3,750 linked to the Israeli consumer price index.

Part 3

Incentive package to company's CFO

A one time bonus in recognition of his special efforts in 2011 of USD $25,000 gross.

Currently his main employment terms are as follows:

Salary – NIS 50,000 per month gross.

Options to purchase BATM shares at an exercise price of 24.75 pence per share vesting as follows: 750,000 options on 9 June 2013 and 750,000 options on 9 June 2014 provided he is in the employ of the company on the vesting date. If the employee leaves or is terminated in the middle of a year, he will be entitled to the pro rata portion of the relevant year.

If the Medical Division of the company achieves an annual EBIDTA of 10% or more of the approved budget of revenues for that year the CFO is entitled to receive an annual bonus of $50,000 gross for each such year during the financial years 2011, 2012 and 2013.