

**TABLE - 1**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(U.S. dollars in thousands, except share and per share data)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	(Unaudited)		(Unaudited)	
Revenues	\$ 8,601	\$ 8,152	\$ 16,877	\$ 15,723
Cost of revenues	2,036	1,746	4,010	3,446
Gross profit	6,565	6,406	12,867	12,277
Operating expenses:				
Research and development, net	2,165	1,953	4,618	3,835
Sales and marketing	4,566	3,749	8,760	7,242
General and administrative	1,438	710	2,481	1,319
Total operating expenses	8,169	6,412	15,859	12,396
Operating loss	(1,604)	(6)	(2,992)	(119)
Financial and other income, net	825	62	1,782	183
Income (loss) before income tax expenses (benefit)	(779)	56	(1,210)	64
Income tax expenses (benefit)	(187)	3	(184)	6
Net income (loss)	\$ (592)	53	\$ (1,026)	58
<b>Basic net earnings (loss) per share</b>	<b>\$ (0.03)</b>	<b>\$ 0.00</b>	<b>\$ (0.05)</b>	<b>\$ 0.00</b>
<b>Diluted net earnings (loss) per share</b>	<b>\$ (0.03)</b>	<b>\$ 0.00</b>	<b>\$ (0.05)</b>	<b>\$ 0.00</b>
Weighted average number of shares used in computing basic net earnings (loss) per share	21,253,700	13,286,779	21,131,702	13,036,329
Weighted average number of shares used in computing diluted net earnings (loss) per share	21,253,700	15,084,192	21,131,702	14,692,920

**TABLE - 2**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS**  
(U.S. dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	(Unaudited)		(Unaudited)	
GAAP net income (loss) as reported	\$ (592)	\$ 53	\$ (1,026)	\$ 58
Non-GAAP adjustments				
Expenses recorded for stock-based compensation				
Cost of revenues	12	3	23	3
Research and development costs, net	46	25	96	39
Sales and marketing	(10)	157	109	203
General and administrative	177	86	319	108
Expenses related to a law suit				
General and administrative	68	-	68	-
Total adjustments	293	271	615	353
Non-GAAP net income (loss)	\$ (299)	\$ 324	\$ (411)	\$ 411
<b>Non- GAAP basic net earnings (loss) per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.02)</b>	<b>\$ 0.03</b>
<b>Non-GAAP diluted net earnings (loss) per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.02)</b>	<b>\$ 0.03</b>

**TABLE - 3**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(U.S. dollars in thousands)**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2007</b>	<b>2006</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 9,930	\$ 7,117
Marketable securities and short term deposit	64,587	70,423
Trade receivables	8,976	5,856
Other receivables and prepaid expenses	2,998	1,961
Inventories	4,117	3,337
Total current assets	90,608	88,694
<b>LONG-TERM ASSETS:</b>		
Marketable securities	3,995	5,750
Severance pay fund	2,891	2,648
Other assets	1,484	1,054
Total long-term assets	8,370	9,452
PROPERTY AND EQUIPMENT, NET	4,137	2,939
GOODWILL	211	99
Total assets	\$ 103,326	\$ 101,184
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term bank credit and current maturities, net	\$ -	\$ 6
Trade payables	3,470	4,415
Deferred revenues	4,806	3,788
Other payables and accrued expenses	5,722	4,833
Total current liabilities	13,998	13,042
<b>LONG-TERM LIABILITIES:</b>		
Deferred revenues	1,691	1,578
Accrued severance pay	2,728	2,377
Total long-term liabilities	4,419	3,955
SHAREHOLDERS' EQUITY	84,909	84,187
Total liabilities and shareholders' equity	\$ 103,326	\$ 101,184