

**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		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Revenues	\$ 14,668	\$ 10,843	\$ 40,765	\$ 30,221
Cost of revenues	4,125	2,977	11,395	8,287
Gross profit	10,543	7,866	29,370	21,934
Operating expenses:				
Research and development costs, net	2,945	2,350	8,261	6,857
Sales and marketing	5,611	5,302	16,275	14,559
General and administrative	1,382	1,311	4,019	4,170
Total operating expenses	9,938	8,963	28,555	25,586
Operating profit (loss)	605	(1,097)	815	(3,652)
Financial and other income (expenses), net	247	(1,151)	(7,730)	(2,363)
Profit (loss) before income tax expenses	852	(2,248)	(6,915)	(6,015)
Income tax expenses	100	21	196	137
Net profit (loss)	752	(2,269)	(7,111)	(6,152)
<b>Basic net profit (loss) per share</b>	<b>\$ 0.03</b>	<b>\$ (0.10)</b>	<b>\$ (0.31)</b>	<b>\$ (0.28)</b>
<b>Diluted net profit (loss) per share</b>	<b>\$ 0.03</b>	<b>\$ (0.10)</b>	<b>\$ (0.31)</b>	<b>\$ (0.28)</b>
Weighted average number of shares used in computing basic net earnings per share	22,813,134	22,214,563	22,656,343	22,118,241
Weighted average number of shares used in computing diluted net earnings per share	23,642,725	22,214,563	22,656,343	22,118,241

**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		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
GAAP net profit (loss) as reported	\$ 752	\$ (2,269)	\$ (7,111)	\$ (6,152)
Non-GAAP adjustments				
Expenses recorded for stock-based compensation				
Cost of revenues	21	33	72	86
Research and development costs, net	87	87	273	265
Sales and marketing	213	254	655	560
General and administrative	152	231	528	810
Core technology amortization- cost of revenues	30	31	90	89
Total adjustments to operating loss	503	636	1,618	1,810
Impairment of auction rate securities				
Financial and other expenses, net	-	1,448	7,711	3,023
Total adjustments	503	2,084	9,329	4,833
Non-GAAP net profit (loss)	\$ 1,255	\$ (185)	\$ 2,218	\$ (1,319)
<b>Non- GAAP basic net profit (loss) per share</b>	<b>\$ 0.06</b>	<b>\$ (0.01)</b>	<b>\$ 0.10</b>	<b>\$ (0.06)</b>
<b>Non- GAAP diluted net profit (loss) per share</b>	<b>\$ 0.05</b>	<b>\$ (0.01)</b>	<b>\$ 0.09</b>	<b>\$ (0.06)</b>
Weighted average number of shares used in computing basic net earnings per share	22,813,134	22,214,563	22,656,343	22,118,241
Weighted average number of shares used in computing diluted net earnings per share	24,244,210	22,214,563	23,997,119	22,118,241

**TABLE - 3**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(U.S. dollars in thousands, except share and per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Revenues	\$ 14,668	\$ 10,843	\$ 40,765	\$ 30,221
Cost of revenues	4,074	2,913	11,233	8,112
Gross profit	10,594	7,930	29,532	22,109
Operating expenses:				
Research and development costs, net	2,858	2,263	7,988	6,592
Sales and marketing	5,398	5,048	15,620	13,999
General and administrative	1,230	1,080	3,491	3,360
Total operating expenses	9,486	8,391	27,099	23,951
Operating profit (loss)	1,108	(461)	2,433	(1,842)
Financial and other income (expenses), net	247	297	(19)	660
Profit (loss) before income tax expenses	1,355	(164)	2,414	(1,182)
Income tax expenses	100	21	196	137
Net profit (loss)	1,255	(185)	2,218	(1,319)
<b>Basic net profit (loss) per share</b>	<b>\$ 0.06</b>	<b>\$ (0.01)</b>	<b>\$ 0.10</b>	<b>\$ (0.06)</b>
<b>Diluted net profit (loss) per share</b>	<b>\$ 0.05</b>	<b>\$ (0.01)</b>	<b>\$ 0.09</b>	<b>\$ (0.06)</b>
Weighted average number of shares used in computing basic net earnings per share	22,813,134	22,214,563	22,656,343	22,118,241
Weighted average number of shares used in computing diluted net earnings per share	24,244,210	22,214,563	23,997,119	22,118,241

**TABLE - 4**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(U.S. dollars in thousands)**

	<b>September 30,</b>	<b>December 31,</b>
	<b>2010</b>	<b>2009</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 49,928	\$ 36,470
Marketable securities and restricted cash	6,303	2,324
Trade receivables, net	7,538	7,842
Other receivables and prepaid expenses	2,920	3,618
Inventories	9,679	5,046
Total current assets	76,368	55,300
<b>LONG-TERM ASSETS:</b>		
Marketable securities	-	14,490
Severance pay fund	295	3,410
Other assets	292	430
Total long-term assets	587	18,330
<b>PROPERTY AND EQUIPMENT, NET</b>	5,448	5,674
<b>GOODWILL AND INTANGIBLE ASSETS, NET</b>	3,546	3,639
Total assets	\$ 85,949	\$ 82,943
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 5,206	\$ 3,142
Deferred revenues	7,008	5,467
Other payables and accrued expenses	9,148	8,512
Total current liabilities	21,362	17,121
<b>LONG-TERM LIABILITIES:</b>		
Deferred revenues	3,575	2,046
Accrued severance pay	176	3,364
Total long-term liabilities	3,751	5,410
<b>SHAREHOLDERS' EQUITY</b>	60,836	60,412
Total liabilities and shareholders' equity	\$ 85,949	\$ 82,943