



October 30, 2012

Allot Communications Reports Non-GAAP 40% Revenue Rise and 50% Net Profit Growth for Third Quarter of 2012

Key highlights:

- Third quarter non-GAAP revenues increased to \$28.0 million, a 40% increase over the third quarter of 2011 and 6% increase over the previous quarter
- Third quarter non-GAAP net profit reaches \$5.1 million, a 50% increase over the third quarter of 2011; non-GAAP EPS of \$0.15
- Cash, cash equivalents and marketable securities totaled \$144.1 million after Oversi acquisition closing; positive cash flow from operations in the third quarter

Hod Hasharon, Israel – October 30, 2012 – Allot Communications Ltd. (NASDAQ: ALLT), a leading supplier of service optimization and revenue generation solutions for fixed and mobile data worldwide, today announced continued growth in sales during the third quarter of 2012.

On a non-GAAP basis, total revenues for the third quarter of 2012 reached \$28.0 million, a 40% increase from the \$20.1 million of revenues reported for the third quarter of 2011, and a 6% increase from the \$26.4 million of revenues reported for the second quarter of 2012. On a GAAP basis, net profit for the third quarter of 2012 was \$2.4 million, or \$0.07 per basic and diluted share. This compares with net profit of \$2.1 million, or \$0.09 per basic share and \$0.08 per diluted share, in the third quarter of 2011, and net profit of \$2.7 million, or \$0.08 per basic and diluted share, in the second quarter of 2012.

On a non-GAAP basis, net profit for the third quarter of 2012 totaled \$5.1 million, or \$0.16 per basic share and \$0.15 per diluted share, compared with non-GAAP net profit of \$3.4 million, or \$0.14 per basic share and \$0.13 per diluted share, for the third quarter of 2011, and non-GAAP net profit \$5.0 million, or \$0.16 per basic share and \$0.15 per diluted share, for the second quarter of 2012. The results also reflect operating expenses resulting from the Oversi acquisition, which closed on September 4, 2012.

Non-GAAP revenues are defined as GAAP revenues adjusted for impact of the fair value adjustment to acquired deferred revenue related to purchase accounting. Management believes the adjustment is useful to investors as a measure of our operating performance following the acquisition.

Non-GAAP net profit is defined as GAAP net profit after including deferred revenues related to the fair value adjustment resulting from purchase accounting and excluding stock based compensation expenses, amortization of acquisition related intangible assets, regulatory matters, acquisition related expenses and compensation expenses related to the acquisitions. These non-GAAP measures should be considered in addition to, and not as a substitute for, comparable GAAP measures. The non-GAAP results and a full reconciliation between GAAP and non-GAAP results are provided in the accompanying Tables 2 and 3. The Company provides these non-GAAP financial measures because it believes that they present a better measure of the Company's core business and management uses the non-GAAP measures internally to evaluate the Company's ongoing performance. Accordingly, the Company believes that they are useful to investors in enhancing an understanding of the Company's operating performance.

"Our continued growth is being driven by strong market fundamentals, namely the continued dramatic growth in data over mobile and fixed line networks," commented Rami Hadar, Allot Communications' President and Chief Executive Officer. "The Allot Service Gateway offers service providers superior performance along with the broadest range of value-added services available on the market today, and services, particularly our video suite, have been a significant differentiator for our customers. During the quarter we recognized revenue from a new Tier 1 mobile operator, as we predicted earlier in the year."

Recently, the Company achieved the following significant goals:

- During the quarter, received large orders from 12 service providers, 2 of which represented new customers;
- 8 of the large orders came from mobile service providers, 2 of which were new customers;
- Recognized revenue from a new Tier 1 mobile operator during the quarter, one of two 10% customers for the quarter;
- Announced closing the acquisition of Oversi on September 4, which provides Allot with a best-of-breed video caching solution; and
- Announced the receipt of a large order for the new Allot MediaSwift-E caching solution, which incorporates the caching technology from Oversi, from an existing multi-million dollar APAC fixed operator customer.

As of September 30, 2012, cash, cash equivalents, short term deposits and marketable securities totaled \$144.1 million, post-closing the Oversi acquisition, with no debt. The preliminary allocation of the purchase price for Oversi is based upon estimates and assumptions that are subject to change within the purchase price allocation period, which is generally one year from the acquisition date. The primary areas of the purchase price allocation that are not yet finalized relate to the measurement of certain assets and liabilities.

Conference Call & Webcast

The Allot management team will host a conference call to discuss its third quarter 2012 earnings results today at 8:30 AM ET, 2:30 PM Israel time. at 8:30 AM ET, 2:30 PM Israel time.

To access the conference call, please dial one of the following numbers: US: +1212 444 0412, UK: +44(0)20 7136 2055, Israel: +9723763 0146, participant code 1477641.

A replay of the conference call will be available from 12:01 am ET on October 31, 2012 through November 29, 2012 at 11:59 pm UK time. To access the replay, please dial: US: +347 366 9565 or toll free, 1866 932 5017; UK: +44 (0)20 3427 0598 or toll free, 0800 358 7735, access code: 1477641.

A live webcast of the conference call can be accessed on the Allot Communications website at www.allot.com. The webcast will also be archived on the website following the conference call.

About Allot Communications

Allot Communications Ltd. (NASDAQ, TASE: ALLT) is a leading global provider of intelligent solutions to optimize and monetize over-the-top Internet traffic in fixed and mobile broadband networks and large enterprises. Allot Service Gateway offers service providers a broad range of value-added services in a single platform, which include analytics, policy control, video optimization, video caching and charging that are vital to managing fixed and mobile data, enhancing user experience, containing operating costs, and enabling service providers to generate revenues from their broadband networks. Allot's rich portfolio of solutions leverages dynamic actionable recognition technology (DART) to transform broadband pipes into smart networks that can rapidly and efficiently deploy value added Internet services. For more information, please visit <http://www.allot.com>.

Safe Harbor Statement

Information provided in this press release may contain statements relating to current expectations, estimates, forecasts and projections about future events that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally relate to the Company's plans, objectives and expectations for future operations. These forward-looking statements are based upon management's current estimates and projections of future results or trends. Actual results may differ materially from those projected as a result of certain risks and uncertainties. These factors include, but are not limited to: our ability to increase the breadth and functionality of the Service Gateway platform, changes in general economic and business conditions; the Company's inability to develop and introduce new technologies, products and applications; loss of market; and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F filed with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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