

**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 June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Revenues	\$ 13,626	\$ 10,009	\$ 26,097	\$ 19,378
Cost of revenues	<u>3,915</u>	<u>2,784</u>	<u>7,270</u>	<u>5,310</u>
Gross profit	<u>9,711</u>	<u>7,225</u>	<u>18,827</u>	<u>14,068</u>
Operating expenses:				
Research and development costs, net	2,728	2,100	5,316	4,507
Sales and marketing	5,413	4,853	10,664	9,257
General and administrative	<u>1,305</u>	<u>1,466</u>	<u>2,637</u>	<u>2,859</u>
Total Operating expenses	9,446	8,419	18,617	16,623
Operating Income (Loss)	265	(1,194)	210	(2,555)
Financial and other income (expenses), net	<u>(7,555)</u>	<u>312</u>	<u>(7,977)</u>	<u>(1,212)</u>
Loss before income tax expenses	(7,290)	(882)	(7,767)	(3,767)
Income tax expenses	<u>127</u>	<u>112</u>	<u>96</u>	<u>116</u>
Net Loss	<u>(7,417)</u>	<u>(994)</u>	<u>(7,863)</u>	<u>(3,883)</u>
<b>Basic and diluted net loss per share</b>	<u>\$ (0.33)</u>	<u>\$ (0.05)</u>	<u>\$ (0.35)</u>	<u>\$ (0.18)</u>
Weighted average number of shares used in computing basic and diluted net loss per share	<u>22,711,470</u>	<u>22,070,416</u>	<u>22,572,070</u>	<u>22,069,909</u>

**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,	
	2010	2009	2010	2009
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
GAAP net loss as reported	\$ (7,417)	\$ (994)	\$ (7,863)	\$ (3,883)
Non-GAAP adjustments				
Expenses recorded for stock-based compensation				
Cost of revenues	22	28	51	53
Research and development costs, net	93	89	186	178
Sales and marketing	212	197	442	306
General and administrative	143	292	376	579
Core technology amortization- cost of revenues	30	30	60	58
Total adjustments to operating income (loss)	<u>500</u>	<u>635</u>	<u>1,115</u>	<u>1,174</u>
Impairment of auction rate securities				
Financial and other expenses, net	7,703	-	7,711	1,575
Total adjustments	<u>8,203</u>	<u>635</u>	<u>8,826</u>	<u>2,749</u>
Non-GAAP net earnings (Loss)	<u>\$ 786</u>	<u>\$ (359)</u>	<u>\$ 963</u>	<u>\$ (1,134)</u>
<b>Non- GAAP basic net (Loss) per share</b>	<u>\$ 0.03</u>	<u>\$ (0.02)</u>	<u>\$ 0.04</u>	<u>\$ (0.05)</u>
<b>Non- GAAP diluted net (Loss) per share</b>	<u>\$ 0.03</u>	<u>\$ (0.02)</u>	<u>\$ 0.04</u>	<u>\$ (0.05)</u>
Weighted average number of shares used in computing basic net earnings per share				
	<u>22,711,470</u>	<u>22,070,416</u>	<u>22,572,070</u>	<u>22,069,909</u>
Weighted average number of shares used in computing diluted net earnings per share				
	<u>24,266,272</u>	<u>22,070,416</u>	<u>23,960,442</u>	<u>22,069,909</u>

**TABLE - 3**  
**ALLOT COMMUNICATIONS LTD.**  
**AND ITS SUBSIDIARIES**  
**NON-GAAP 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,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Revenues	\$ 13,626	\$ 10,009	\$ 26,097	\$ 19,378
Cost of revenues	3,863	2,726	7,159	5,199
Gross profit	9,763	7,283	18,938	14,179
Operating expenses:				
Research and development costs, net	2,635	2,011	5,130	4,329
Sales and marketing	5,201	4,657	10,222	8,951
General and administrative	1,162	1,174	2,261	2,280
Total Operating expenses	8,998	7,842	17,613	15,560
Operating Income (Loss)	765	(559)	1,325	(1,381)
Financial and other income (expenses), net	148	312	(266)	363
Loss (income) before income tax expenses	913	(247)	1,059	(1,018)
Income tax expenses	127	112	96	116
Net Income (Loss)	786	(359)	963	(1,134)
<b>Basic and diluted net loss per share</b>	<b>\$ 0.03</b>	<b>\$ (0.02)</b>	<b>\$ 0.04</b>	<b>\$ (0.05)</b>
Weighted average number of shares used in computing basic net earnings per share	22,711,470	22,070,416	22,572,070	22,069,909
Weighted average number of shares used in computing diluted net earnings (loss) per share	24,266,272	22,070,416	23,960,442	22,069,909

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

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 49,391	\$ 36,470
Short term deposits and restricted cash	5,968	2,324
Trade receivables, net	7,096	7,842
Other receivables and prepaid expenses	2,428	3,618
Inventories	7,531	5,046
Total current assets	<u>72,414</u>	<u>55,300</u>
 <b>LONG-TERM ASSETS:</b>		
Marketable securities	-	14,490
Severance pay fund	264	3,410
Other assets	424	430
Total long-term assets	<u>688</u>	<u>18,330</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>5,793</u>	<u>5,674</u>
<b>GOODWILL AND INTANGIBLE ASSETS, NET</b>	<u>3,577</u>	<u>3,639</u>
 Total assets	 <u>\$ 82,472</u>	 <u>\$ 82,943</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 4,654	\$ 3,142
Deferred revenues	7,136	5,467
Other payables and accrued expenses	8,024	8,512
Total current liabilities	<u>19,814</u>	<u>17,121</u>
 <b>LONG-TERM LIABILITIES:</b>		
Deferred revenues	3,465	2,046
Accrued severance pay	153	3,364
Total long-term liabilities	<u>3,618</u>	<u>5,410</u>
 <b>SHAREHOLDERS' EQUITY</b>	 <u>59,040</u>	 <u>60,412</u>
 Total liabilities and shareholders' equity	 <u>\$ 82,472</u>	 <u>\$ 82,943</u>