

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,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Revenues	\$ 10,843	\$ 9,819	\$ 30,221	\$ 27,539
Cost of revenues	<u>2,977</u>	<u>2,618</u>	<u>8,287</u>	<u>7,248</u>
Gross profit	<u>7,866</u>	<u>7,201</u>	<u>21,934</u>	<u>20,291</u>
Operating expenses:				
Research and development costs, net	2,350	2,889	6,857	9,109
Sales and marketing	5,302	4,751	14,559	15,271
General and administrative	1,311	1,702	4,170	4,811
In - process research and development	<u>-</u>	<u>-</u>	<u>-</u>	<u>244</u>
Total Operating expenses	8,963	9,342	25,586	29,435
Operating loss	(1,097)	(2,141)	(3,652)	(9,144)
Financial and other expenses, net	<u>(1,151)</u>	<u>(6,788)</u>	<u>(2,363)</u>	<u>(8,247)</u>
Loss before income tax expenses	(2,248)	(8,929)	(6,015)	(17,391)
Income tax expenses	<u>21</u>	<u>36</u>	<u>137</u>	<u>137</u>
Net loss	<u>(2,269)</u>	<u>(8,965)</u>	<u>(6,152)</u>	<u>(17,528)</u>
Basic and diluted net loss per share	<u>\$ (0.10)</u>	<u>\$ (0.41)</u>	<u>\$ (0.28)</u>	<u>\$ (0.79)</u>
Weighted average number of shares used in computing basic and diluted net loss per share	<u>22,214,563</u>	<u>22,063,367</u>	<u>22,118,241</u>	<u>22,049,750</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		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
GAAP net loss as reported	\$ (2,269)	\$ (8,965)	\$ (6,152)	\$ (17,528)
Non-GAAP adjustments				
Expenses recorded for stock-based compensation				
Cost of revenues	33	11	86	41
Research and development costs, net	87	84	265	240
Sales and marketing	254	112	560	402
General and administrative	231	216	810	637
In-process research and development	-	-	-	244
Expenses related to a law suit	-	151	-	197
Core technology amortization- cost of revenues	31	30	89	88
Total adjustments to operating loss	636	604	1,810	1,849
Impairment of auction rate securities				
Financial and other expenses, net	1,448	6,771	3,023	10,206
Total adjustments	2,084	7,375	4,833	12,055
Non-GAAP net loss	\$ (185)	\$ (1,590)	\$ (1,319)	\$ (5,473)
Non- GAAP basic and diluted net loss per share	\$ (0.01)	\$ (0.07)	\$ (0.06)	\$ (0.25)

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

	<u>September 30,</u> <u>2009</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2008</u> <u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 36,667	\$ 40,029
Short term deposits and restricted deposits	2,320	2,121
Trade receivables	7,992	6,163
Other receivables and prepaid expenses	2,619	1,959
Inventories	5,633	4,259
Total current assets	<u>55,231</u>	<u>54,531</u>
LONG-TERM ASSETS:		
Marketable securities	13,764	15,319
Severance pay fund	3,407	3,402
Other assets	421	874
Total long-term assets	<u>17,592</u>	<u>19,595</u>
PROPERTY AND EQUIPMENT, NET	<u>5,192</u>	<u>4,970</u>
GOODWILL AND INTANGIBLE ASSETS, NET	<u>3,667</u>	<u>3,755</u>
Total assets	<u>\$ 81,682</u>	<u>\$ 82,851</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 3,901	\$ 2,902
Deferred revenues	5,217	4,475
Other payables and accrued expenses	6,277	6,466
Total current liabilities	<u>15,395</u>	<u>13,843</u>
LONG-TERM LIABILITIES:		
Deferred revenues	2,046	2,293
Accrued severance pay	3,410	3,536
Total long-term liabilities	<u>5,456</u>	<u>5,829</u>
SHAREHOLDERS' EQUITY	<u>60,831</u>	<u>63,179</u>
Total liabilities and shareholders' equity	<u>\$ 81,682</u>	<u>\$ 82,851</u>