

## **Allot Communications Reports Continued Growth in Revenues and Net Profit for Third Quarter of 2011**

***--Revenues reach \$20.1 million; EPS was \$0.13 on a non-GAAP basis (\$0.08 on a GAAP basis)--***

### *Key highlights:*

- Third quarter revenues reached record \$20.1 million, a 37% increase over the third quarter of 2010*
- Third quarter non-GAAP net profit of \$3.4 million; non-GAAP EPS grew to \$0.13 from \$0.10 in the second quarter of 2011; non-GAAP operating margin reaches 16%*
- Cash, cash equivalents, marketable securities and restricted cash totaled approximately \$66.7 million; generated approximately \$3.4 million in cash from operations during the quarter*
- Added 5 new service providers during the third quarter*

**Boston, MA – November 1, 2011** – Allot Communications Ltd. (NASDAQ: ALLT), a leading supplier of service optimization and revenue generation solutions for fixed and mobile broadband service providers worldwide, today announced continued growth in revenues and net profit for the third quarter of 2011.

Total revenues for the third quarter of 2011 reached \$20.1 million, a 37% increase from the \$14.7 million of revenues reported for the third quarter of 2010, and a 9% increase from the \$18.5 million of revenues reported for the second quarter of 2011. On a GAAP basis, net profit for the third quarter of 2011 was \$2.1 million, or \$0.09 per basic share and \$0.08 per diluted share. This compares with net income of \$0.8 million, or \$0.03 per share (basic and diluted), in the third quarter of 2010, and a net profit of \$1.6 million, or \$0.07 per basic share and \$0.06 per diluted share, in the second quarter of 2011.

On a non-GAAP basis, excluding the impact of share-based compensation, amortization of certain intangibles and expenses related to financing activities, non-GAAP net profit for the third quarter of 2011 totaled \$3.4 million, or \$0.14 per basic share and \$0.13 per diluted share, compared with a non-GAAP net profit of \$1.3 million, or \$0.06 per basic share and \$0.05 per diluted share, for the third quarter of 2010, and non-GAAP net profit of \$2.7 million, or \$0.11 per basic share and \$0.10 per diluted share, for the second quarter of 2011.

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.

"Growth during the quarter was fueled by increasing activity across the wireless and wireline markets," commented Rami Hadar, Allot Communications' President and Chief Executive Officer. "We continue to win large mobile service providers across the globe, maintaining our leadership position in this market. An increasing number of our customers are looking to our solutions, primarily the Service Gateway, to provide them with new and unique ways to monetize their networks, primarily in the area of smart charging. Our industry leading 160Gbps throughput capabilities, along with our ability to incorporate a wide range of services on a single platform, are key factors in our steady and continuing growth."

Recently, the Company achieved the following significant goals:

- Added 3 new mobile service providers, located throughout the world, to its growing customer list;
- During the quarter, received orders from 9 large service providers, of which 5 represented new customers and 4 represented expansion deals;
- Recently announced signing a new, \$9.5 million deal with a Tier 1 fixed-line operator in Asia;
- Recently announced a combined solution with Openet, enabling smart charging and new revenue streams for service providers.

As of September 30, 2011, cash, cash equivalents, marketable securities and restricted cash totaled approximately \$66.7 million.

### **Conference Call & Webcast**

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

To access the conference call, please dial one of the following numbers: US: +1 646 254 3362, UK: +44 (0)20 3140 8286, Israel: +972 3763 0146, confirmation code 3107484.

A replay of the conference call will be available from 12:01 am ET on November 2, 2011 through December 1, 2011 at 11:59 pm ET. To access the replay, please dial: US: +1 347 366 9565, UK: +44 (0)20 7111 1244, access code: 3107484#.

A live webcast of the conference call can be accessed on the Allot Communications website at [www.allot.com](http://www.allot.com). The webcast will also be archived on the website following the conference call.

## **About Allot Communications**

Allot Communications Ltd. (NASDAQ: ALLT) is a leading provider of intelligent data traffic optimization and monetization solutions for fixed and mobile broadband operators and large enterprises. Allot's scalable, carrier-grade solutions provide the visibility, topology awareness, security, application control and subscriber management that are vital to managing Internet service delivery, 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 through additional partnerships, 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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