

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	
	March 31,	
	2009	2008
	(Unaudited)	
Revenues	\$ 9,369	\$ 8,259
Cost of revenues	<u>2,526</u>	<u>2,142</u>
Gross profit	<u>6,843</u>	<u>6,117</u>
Operating expenses:		
Research and development costs, net	2,407	3,097
Sales and marketing	4,404	5,044
General and administrative	1,393	1,499
In - process research and development	-	244
Total operating expenses	<u>8,204</u>	<u>9,884</u>
Operating loss	<u>(1,361)</u>	<u>(3,767)</u>
Financial and other expenses	<u>(1,524)</u>	<u>(1,015)</u>
Loss before income tax expenses	<u>(2,885)</u>	<u>(4,782)</u>
Income tax expenses	<u>4</u>	<u>31</u>
Net loss	<u><u>(2,889)</u></u>	<u><u>(4,813)</u></u>
Basic and diluted net loss per share	<u><u>\$ (0.13)</u></u>	<u><u>\$ (0.22)</u></u>
Weighted average number of shares used in computing basic and diluted net loss per share	<u><u>22,067,951</u></u>	<u><u>22,026,771</u></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	
	March 31,	
	2009	2008
	(Unaudited)	
GAAP net loss as reported	<u>\$ (2,889)</u>	<u>\$ (4,813)</u>
 Non-GAAP adjustments		
Expenses recorded for stock-based compensation		
Cost of revenues	25	14
Research and development costs, net	89	75
Sales and marketing	109	128
General and administrative	287	208
Expenses related to a law suit- general and administrative	-	21
In-process research and development	-	244
Core technology amortization- cost of revenues	28	28
Total adjustments to operating loss	<u>538</u>	<u>718</u>
Impairment of auction rate securities		
Financial and other loss	1,575	2,150
 Total adjustments	<u>2,113</u>	<u>2,868</u>
 Non-GAAP net loss	<u>\$ (776)</u>	<u>\$ (1,945)</u>
 Non- GAAP basic and diluted net loss per share	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>

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

	March 31,	December 31,
	2009	2008
	(Unaudited)	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 35,851	\$ 40,029
Marketable securities and short term deposits	4,058	2,121
Trade receivables	6,586	6,163
Other receivables and prepaid expenses	1,578	1,959
Inventories	4,109	4,259
Total current assets	52,182	54,531
LONG-TERM ASSETS:		
Marketable securities	14,161	15,319
Severance pay fund	2,987	3,402
Other assets	889	874
Total long-term assets	18,037	19,595
PROPERTY AND EQUIPMENT, NET	4,731	4,970
GOODWILL AND INTANGIBLE ASSETS, NET	3,727	3,755
Total assets	\$ 78,677	\$ 82,851
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 2,627	\$ 2,902
Deferred revenues	4,798	4,475
Other payables and accrued expenses	6,003	6,466
Total current liabilities	13,428	13,843
LONG-TERM LIABILITIES:		
Deferred revenues	2,236	2,293
Accrued severance pay	3,068	3,536
Total long-term liabilities	5,304	5,829
SHAREHOLDERS' EQUITY	59,945	63,179
Total liabilities and shareholders' equity	\$ 78,677	\$ 82,851