

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		Year Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Revenues	9,567	7,079	34,144	22,972
Cost of revenues	2,190	1,483	7,597	5,419
Gross profit	7,377	5,596	26,547	17,553
Operating expenses:				
Research and development costs, net	1,887	1,543	7,529	5,925
Sales and marketing	4,598	3,090	15,457	11,887
General and administrative	1,204	671	3,464	2,380
Total Operating expenses	7,689	5,304	26,450	20,192
Operating income (loss)	-312	292	97	-2,639
Financial and other income, net	401	9	630	45
Income (loss) before income tax expenses (benefit)	89	301	727	-2,594
Income tax expenses (benefit)	36	-40	111	-218
Net income (loss)	53	341	616	-2,376
Basic net earnings (loss) per share	\$0.00	\$0.11	\$0.04	(\$0.81)
Diluted net earnings (loss) per share	\$0.00	\$0.08	\$0.04	(\$0.81)
Weighted average number of shares used in computing basic net earnings (loss) per share	17,077,444	3,063,040	14,402,338	2,943,500
Weighted average number of shares used in computing diluted net earnings (loss) per share	19,864,395	4,101,738	16,423,227	2,943,500

TABLE - 2
ALLOT COMMUNICATIONS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

	December 31,	
	2006	2005
		Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	7,117	3,739
Marketable securities and short term deposit	70,423	3,645
Trade receivables	5,856	3,530
Other receivables and prepaid expenses	1,961	696
Inventories	3,337	1,544
Total current assets	88,694	13,154
LONG-TERM ASSETS:		
Marketable securities	5,750	993
Severance pay fund	2,648	1,538
Other assets	1,054	300
Total long-term assets	9,452	2,831
PROPERTY AND EQUIPMENT, NET	2,939	1,483
GOODWILL AND INTANGIBLE ASSETS, NET	99	123
Total assets	101,184	17,591
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term bank credit and current maturities, net	6	0
Trade payables	4,415	2,293
Deferred revenues	3,788	3,247
Other payables and accrued expenses	4,833	3,340
Total current liabilities	13,042	8,880
LONG-TERM LIABILITIES:		
Deferred revenues	1,578	972
Accrued severance pay	2,377	1,613
Total long-term liabilities	3,955	2,585
SHAREHOLDERS' EQUITY	84,187	6,126
Total liabilities and shareholders' equity	101,184	17,591

TABLE - 3
ALLOT COMMUNICATIONS LTD.
AND ITS SUBSIDIARIES
PROFORMA CONSOLIDATED STATEMENTS OF OPERATIONS

This schedule is to assist the reader in reconciling from the GAAP
reported results to Proforma results
(U.S. dollars in thousands, except shares and per share data)

	Three months ended December, 31 2006			Three months ended December, 31 2005		
	GAAP Reported	Proforma Adjustments*	Proforma	GAAP Reported	Proforma Adjustments*	Proforma
Gross profit	7,377	-7	7,384	5,596	0	5,596
Total Operating expenses	7,689	-672	7,017	5,304	-28	5,276
Operating income (loss)	-312	679	367	292	28	320
Income (loss) before income tax expenses (benefit)	89	679	768	301	28	329
Net income	<u>53</u>	<u>679</u>	<u>732</u>	<u>341</u>	<u>28</u>	<u>369</u>
Basic net earnings (loss) per share	<u>\$0.00</u>	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.11</u>	<u>\$0.01</u>	<u>\$0.12</u>
Diluted net earnings (loss) per share	<u>\$0.00</u>	<u>\$0.03</u>	<u>\$0.04</u>	<u>\$0.08</u>	<u>\$0.01</u>	<u>\$0.09</u>
	Year ended December, 31 2006			Year ended December, 31 2005		
	GAAP Reported	Proforma Adjustments*	Proforma	GAAP Reported	Proforma Adjustments*	Proforma
Gross profit	26,547	-15	26,562	17,553	0	17,553
Total Operating expenses	26,450	-1,346	25,104	20,192	-305	19,887
Operating income (loss)	97	1,361	1,458	-2,639	305	-2,334
Income (loss) before income tax expenses (benefit)	727	1,361	2,088	-2,594	305	-2,289
Net income	<u>616</u>	<u>1,361</u>	<u>1,977</u>	<u>-2,376</u>	<u>305</u>	<u>-2,071</u>
Basic net earnings (loss) per share	<u>\$0.04</u>	<u>\$0.09</u>	<u>\$0.14</u>	<u>(\$0.81)</u>	<u>\$0.10</u>	<u>(\$0.70)</u>
Diluted net earnings (loss) per share	<u>\$0.04</u>	<u>\$0.08</u>	<u>\$0.12</u>	<u>(\$0.81)</u>	<u>\$0.10</u>	<u>(\$0.70)</u>

(*) Share based compensation.