

Allot MobileTrends Report Reveals Security-as-a-Service is a Clear Revenue Generator for CSPs

Operators offering advanced parental controls and anti-malware services benefit from more loyal subscribers, lower churn and ROI in six months

February 25, 2015 - Hod Hasharon, Israel – <u>Allot Communications Ltd.</u> (NASDAQ, TASE: ALLT), a leading global provider of intelligent broadband solutions that empowers communication service providers to optimize and monetize their networks, enterprises to enhance productivity and consumers to improve their digital experience, announced today the availability of its new <u>Allot MobileTrends Report H1 2015:</u> <u>Mobile Internet Security Services as a Revenue Generator.</u> The report highlights the security challenges users face from mobile internet threats, particularly parents safeguarding their children online, and how communication service providers (CSPs) can profitably address these needs by delivering SECaaS (Security-as-a-Service) to consumers.

The findings of this global report indicate that parental concerns regarding exposure to damaging internet content, coupled with a lack of awareness of the available solutions, present a sizeable market opportunity for CSPs. The report also evaluates solutions for protection against growing malicious software threats, and their benefits to both users and CSPs.

Key findings of the Allot MobileTrends Report H1 2015: Mobile Internet Security Services as a Revenue Generator include:

- Of CSPs who offer SECaaS, 60% charge a premium for it at prices ranging from \$1 to \$5 per month per line.
- Security services are mutually beneficial for broadband users and service providers. Users
 perceive parental controls and anti-malware services as high-value, while CSPs can quickly
 achieve positive ROI from delivering security solutions with incremental pricing.
- Network-based security SECaaS create customer stickiness that can reduce churn rates by as much as 2.4% annually, which can cover the cost of deployment and operation on its own.
- ROI on premium parental controls and anti-malware services can be achieved in five to seven months (six months on average), with ROI reaching greater than 250% in 12 months.

"A growing number of more sophisticated and targeted security threats are putting broadband users at increasing risk. At the same time, the boom of social networking, video, and other mobile content services is making it far more difficult for parents to track online activity and protect their children," said Yaniv Sulkes, AVP Marketing, Allot Communications. "Our report finds that network-based SECaaS solutions that can deliver parental controls and anti-malware protection can greatly enhance customer satisfaction, while also developing new value channels for CSPs."

The full **Allot MobileTrends Report H1 2015: Mobile Internet Security Services as a Revenue Generator** with statistical graphics and charts can be downloaded here.

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About Allot Communications

Allot Communications Ltd. (NASDAQ, TASE: ALLT) empowers service providers to monetize and optimize their networks, enterprises to enhance productivity and consumers to enjoy an always-on digital lifestyle. Allot's advanced DPI-based broadband solutions identify and leverage network intelligence to analyze, protect, improve and enrich mobile, fixed and cloud service delivery and user experience. Allot's unique blend of innovative technology, proven know-how and collaborative approach to industry standards and partnerships enables network operators worldwide to elevate their role in the digital lifestyle ecosystem and to open the door to a wealth of new business opportunities. For more information, please visit www.allot.com.

Forward Looking Statement

This release may contain forward-looking statements, which express the current beliefs and expectations of Company management. Such statements involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our ability to compete successfully with other companies offering competing technologies; the loss of one or more significant customers; consolidation of, and strategic alliances by, our competitors, government regulation; lower demand for key value-added services; our ability to keep pace with advances in technology and to add new features and value-added services; managing lengthy sales cycles; operational risks associated with large projects; our dependence on third party channel partners for a material portion of our revenues; 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. Forward-looking statements in this release are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. 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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