

Allot Communications Ltd.
Form F-3
December 09, 2010

As filed with the Securities and Exchange Commission on December 9, 2010

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ALLOT COMMUNICATIONS LTD.
(Exact name of registrant as specified in its charter)

Israel
(State or other jurisdiction of
incorporation or organization)

Not Applicable
(I.R.S. Employer
Identification No.)

22 Hanagar Street
Neve Ne'eman Industrial Zone B
Hod-Hasharon 45240, Israel
+972 (9) 761-9200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Allot Communications, Inc.
300 Trade Center, Suite 4680
Woburn, MA 01801
(781) 939-9300

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Doron Faibish
General Counsel
Allot Communications Ltd.
22 Hanagar Street
Neve Ne'eman Industrial Zone B
Hod-Hasaron 45240, Israel
Tel: +972 (9) 761-9200

Colin Diamond
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036-2787
Tel: (212) 819-8200

Approximate date of commencement of proposed sale to the public:

From time to time after this Registration Statement becomes effective as determined by market conditions.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit(2)	Proposed maximum aggregate offering price	Amount of registration fee
Primary Offering:				
Ordinary Shares, par value NIS 0.01 per share(1)				
Warrants(1)				
Debt Securities(1)				
Subtotal			\$100,000,000(3)	\$7,130.00 (3)
Secondary Offering:				
Ordinary Shares, par value NIS 0.01 per share(4)	3,332,203	\$9.03	\$30,089,793	\$2,145.40
Total			\$130,089,793	\$9275.40

- (1) Such indeterminate number or amount of Registrant's ordinary shares, warrants and debt securities as may, from time to time, be issued at indeterminate prices. In no event will the aggregate maximum offering price of all securities issued pursuant to this registration statement on behalf of the Registrant exceed \$100,000,000. In addition, up to 3,332,203 ordinary shares may be sold from time to time pursuant to this registration statement by the selling shareholders named herein. Pursuant to Rule 416 of the Securities Act of 1933, as amended, this Registration Statement also includes additional ordinary shares issuable upon stock splits, stock dividends or similar transactions.
- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act, based upon the average of the high and low sales prices (\$9.30 and \$8.75) of the Registrant's ordinary shares on The NASDAQ Global Market on December 6, 2010.
- (3) Pursuant to Rule 457(o) under the Securities Act of 1933, which permits the registration fee to be calculated on the basis of the maximum offering price of all the securities listed, and Instruction IIC of Form F-3, the table does not specify by each class information as to the amount to be registered, proposed maximum offering price per unit or proposed maximum aggregate offering price. The aggregate public offering price of securities sold by the Registrant will not exceed \$100,000,000 (see Note 1 above).
- (4) Represents ordinary shares registered for resale by the selling shareholders.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information contained in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated December 9, 2010

PROSPECTUS

\$100,000,000 of Ordinary Shares, Warrants
and/or Debt Securities Offered by the Company
and
Up to 3,332,203 Ordinary Shares Offered by Selling Shareholders

ALLOT COMMUNICATIONS LTD.

We may offer to the public from time to time in one or more series or issuances ordinary shares, warrants to purchase ordinary shares or debt securities, debt securities consisting of debentures, notes or other evidences of indebtedness.

In addition, the selling shareholders may offer to sell up to 3,332,203 ordinary shares. We will not receive any of the proceeds from the sale of ordinary shares by the selling shareholders. We refer to the ordinary shares, warrants and debt securities collectively as “securities” in this prospectus.

Each time we or a selling shareholder sells securities pursuant to this prospectus, we will provide a supplement to this prospectus that contains specific information about the offering and the specific terms of the securities offered. You should read this prospectus and the applicable prospectus supplement carefully before you invest in our securities.

We may, from time to time, offer to sell the securities and selling shareholders may, from time to time, offer to sell the ordinary shares through public or private transactions, directly or through underwriters, agents or dealers, on or off The NASDAQ Stock Market at prevailing market prices or at privately negotiated prices. If any underwriters, agents or dealers are involved in the sale of any of these securities, the applicable prospectus supplement will set forth the names of the underwriter, agent or dealer and any applicable fees, commissions or discounts.

Our ordinary shares are traded on the NASDAQ Global Market under the symbol “ALLT.”

Investing in these securities involves certain risks. Please carefully consider the “Risk Factors” in Item 3 of our most recent Annual Report on Form 20-F incorporated by reference in this prospectus, the “Risk Factors” beginning on page 2 of this prospectus, and in any applicable prospectus supplement, for a discussion of the factors you should consider carefully before deciding to purchase these securities.

None of the Securities and Exchange Commission, the Israeli Securities Authority or any state securities commission has approved or disapproved of the securities being offered by this prospectus, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2010

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration process. Under this process, we may offer and sell our securities under this prospectus and the selling shareholders referred to in this prospectus and identified in supplements to this prospectus may also offer and sell our ordinary shares under this prospectus.

Under this shelf process, we may sell the securities described in this prospectus in one or more offerings up to a total price to the public of \$100,000,000. The selling shareholders may sell up to 3,332,203 ordinary shares in one or more offerings. The offer and sale of securities under this prospectus may be made from time to time, in one or more offerings in any manner described under the section in this prospectus entitled “Plan of Distribution.”

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus, and may also contain information about any material federal income tax considerations relating to the securities covered by the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

This summary may not contain all of the information that may be important to you. You should read this entire prospectus, including the financial data and related notes incorporated by reference in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause or contribute to such differences include those discussed in “Risk Factors” and “Forward-Looking Statements.”

ALLOT COMMUNICATIONS LTD.

Overview

Our legal and commercial name is “Allot Communications Ltd.” We were incorporated under the laws of the State of Israel in November 1996 and commenced operations in July 1997. We conducted an initial public offering and listing on The Nasdaq Stock Market in November 2006.

We are a leading provider of intelligent IP service optimization solutions for mobile, DSL and wireless broadband carriers, cable operator service providers, and enterprises. Our portfolio of hardware platforms and software applications utilizes advanced deep packet inspection, or DPI, technology to transform broadband pipes into smart networks that can rapidly and efficiently manage data over mobile and wireline networks and deploy value added Internet services. Our scalable, carrier-grade solutions provide the visibility, security, application control and subscriber management that are vital to managing Internet service delivery, guaranteeing quality of experience, or QoE, containing operating costs, and maximizing revenue in broadband networks.

Corporate Information

We are incorporated under the laws of the State of Israel. Our principal executive offices are located at 22 Hanagar Street, Neve Ne’eman Industrial Zone B, Hod-Sharon 45240, Israel, and our telephone number is +972 (9)761-9200. Our web site address is www.allot.com. The information on our web site does not constitute part of this prospectus. Our agent in the United States is our subsidiary, Allot Communications, Inc. The address of Allot Communications, Inc. is 300 Trade Center, Suite 4680, Woburn, MA 01801, United States.

RISK FACTORS

An investment in our securities involves a high degree of risk. Our business, financial condition or results of operations could be adversely affected by any of these risks. If any of these risks occur, the value our ordinary shares and our other securities may decline. You should carefully consider the risk factors discussed in this section, as well as the discussion set forth under the caption “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2009, in any other filing we make with the Commission subsequent to the date of this prospectus, each of which are incorporated herein by reference, and in any supplement to this prospectus, before making your investment decision.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated in it by reference contain forward-looking statements which involve known and unknown risks and uncertainties. We include this notice for the express purpose of permitting us to obtain the protections of the safe harbor provided by the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements. Examples of forward-looking statements include: projections of capital expenditures, competitive pressures, revenues, growth prospects, product development, financial resources and other financial matters. You can identify these and other forward-looking statements by the use of words such as “may,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “potential” or the negative of such terms, or other comparative terminology.

Our ability to predict the results of our operations or the effects of various events on our operating results is inherently uncertain. Therefore, we caution you to consider carefully the matters described under the caption “Risk Factors” and certain other matters discussed in this prospectus, the documents incorporated by reference in this prospectus, and other publicly available sources. Such factors and many other factors beyond the control of our management could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements. Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges for each of the periods indicated is set forth below. We have derived the ratios of earnings to fixed charges from our historical consolidated financial statements. The ratios should be read in conjunction with our consolidated financial statements, including the notes thereto, and the other financial information included or incorporated by reference herein.

	As of December 31,					As of
	2005	2006	2007	2008	2009	September
	(b)	243.3	(c)	(d)	(e)	30, 2010
Ratio of earnings to fixed charges(a)	(b)	243.3	(c)	(d)	(e)	(e)

(a) See Exhibit 12.1 of the Registration Statement on Form F-3, of which this prospectus is a part.

(b) Due to the loss recorded in 2005, the ratio coverage was less than 1:1. We would have needed to generate additional earnings of \$2.6 million to achieve coverage of 1:1 in 2005.

- (c) Due to the loss recorded in 2007, the ratio coverage was less than 1:1. We would have needed to generate additional earnings of \$9.4 million to achieve coverage of 1:1 in 2007.
- (d) Due to the loss recorded in 2008, the ratio coverage was less than 1:1. We would have needed to generate additional earnings of \$16.3 million to achieve coverage of 1:1 in 2008.
- (e) We had no fixed charges for 2009 and the nine months ended September 30, 2010. For the purpose of this computation, earnings consist of pretax income (loss). Fixed charges consist of interest expensed.

As of the date of this prospectus, we have no preferred shares outstanding and have not declared or paid any dividends on preferred shares for the periods set forth above.

CAPITALIZATION

The table below sets forth our condensed consolidated current liabilities and capitalization at September 30, 2010 on an actual basis:

	As of September 30, 2010 (in thousands) (unaudited)
Current liabilities	21,367
Shareholders' equity:	
Share capital – ordinary shares of NIS 0.20 par value 200,000,000 shares authorized; 23,207,706 shares issued and 22,961,227 shares outstanding)	509
Additional paid-in capital	131,324
Accumulated other comprehensive income	16
Accumulated deficit	(70,805)
Total shareholders' equity	61,044
Total liabilities and shareholders' equity	\$86,162

PRICE RANGE OF ORDINARY SHARES.

Our ordinary shares began trading publicly on November 16, 2006. Prior to that date, there was no public market for our ordinary shares. The following table lists the high and low closing prices for our ordinary shares for the periods indicated as reported by The Nasdaq Stock Market.

Year	High	Low
2009	\$ 4.25	\$ 1.42
2008	\$ 4.85	\$ 1.60
2007	\$ 11.50	\$ 4.35
Quarter	High	Low
2010		
First quarter	\$ 5.15	\$ 4.00
Second quarter	\$ 5.87	\$ 4.09
Third quarter	\$ 6.32	\$ 4.12
2009		
First quarter	\$ 1.80	\$ 1.42
Second quarter	\$ 3.08	\$ 1.52
Third quarter	\$ 4.20	\$ 3.00
Fourth quarter	\$ 4.25	\$ 3.70
2008		
First quarter	\$ 4.85	\$