



Investor Kit Fourth Quarter 2017



Radware Ltd. Condensed and Consolidated - Balance Sheets
(U.S. Dollars in thousands - unaudited)

ASSETS

Current Assets

	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec	Quarter Ended			Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep		31-Mar	30-Jun	30-Sep	
Cash and cash equivalents	\$ 44,979	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	\$ 79,639	\$ 47,129	\$ 50,086	\$ 53,530	\$ 65,237
Available-for-sale marketable securities	29,448	16,003	17,305	16,341	20,016	20,452	20,922	21,350	25,145	42,573
Short-term bank deposits	29,989	80,922	150,844	183,465	148,122	125,995	101,471	84,830	87,114	93,151
Trade receivables, net	25,637	26,410	27,905	26,057	21,346	19,407	20,990	17,638	12,314	16,150
Other receivables and prepaid expenses	8,107	5,042	5,346	4,382	4,297	4,159	3,250	3,447	3,905	12,252
Inventories	16,844	16,322	16,576	16,181	16,812	17,114	18,392	19,455	18,724	18,772
	155,004	178,443	249,809	268,354	249,451	266,766	212,154	196,806	200,732	248,135

Long-term Investments

Available-for-sale marketable securities	114,519	87,814	83,186	83,904	75,692	74,967	70,307	75,478	70,717	54,427
Long-term bank deposits	111,754	96,643	31,818	9,143	28,187	19,092	76,141	93,851	94,361	88,911
Severance pay funds	3,040	2,724	2,747	2,699	2,812	2,597	2,597	2,830	2,830	3,251
	229,313	187,181	117,751	95,746	106,691	96,656	149,045	172,159	167,908	146,589

Property and equipment, net

Property and equipment, net	20,592	26,203	26,577	27,177	27,404	26,354	25,751	25,711	24,487	23,642
Intangible assets, net	4,756	3,518	3,239	2,959	2,679	2,399	8,870	10,922	10,525	10,415
Other long-term assets	3,234	5,473	5,559	6,677	6,739	8,092	8,030	8,072	8,084	8,133
Goodwill	30,069	30,069	30,069	30,069	30,069	30,069	34,392	32,174	32,174	32,174

Total assets

	\$ 442,968	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	\$ 430,336	\$ 438,242	\$ 445,844	\$ 443,910	\$ 469,088
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Trade payables	\$ 9,817	\$ 9,255	\$ 5,077	\$ 6,087	\$ 5,051	\$ 5,971	\$ 4,393	\$ 5,967	\$ 4,552	\$ 5,367
Deferred revenues (*)	41,966	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829
Other payables and accrued expenses	24,043	22,098	21,849	22,547	22,201	26,232	28,227	25,187	25,107	32,174
	75,826	77,414	79,955	81,164	75,870	85,264	92,161	94,337	93,193	107,370

Long-term Liabilities

Deferred revenues (*)	25,382	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482
Other long-term liabilities	8,063	9,214	14,060	14,088	14,075	14,209	14,258	14,490	9,130	2,880
	33,445	34,350	40,895	41,349	38,475	45,309	46,045	50,786	47,788	46,362

Shareholders' Equity

Share capital	654	661	661	661	662	663	664	665	666	673
Additional paid-in capital	294,084	312,784	315,661	318,331	321,338	325,338	329,644	334,418	338,539	349,250
Accumulated other comprehensive income (loss), net of tax	211	1,257	943	847	505	(20)	24	(7)	(31)	(443)
Treasury stock, at cost	(41,153)	(94,049)	(100,829)	(105,761)	(105,761)	(116,029)	(116,029)	(116,029)	(116,442)	(116,442)
Retained earnings	79,901	98,470	95,718	94,391	91,944	89,811	85,733	81,674	80,197	82,318
	333,697	319,123	312,154	308,469	308,688	299,763	300,036	300,721	302,929	315,356

Total liabilities and shareholder's equity

	\$ 442,968	\$ 430,887	\$ 433,004	\$ 430,982	\$ 423,033	\$ 430,336	\$ 438,242	\$ 445,844	\$ 443,910	\$ 469,088
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*** Deferred Revenues**

Short Term	41,966	46,061	53,029	52,530	48,618	53,061	59,541	63,183	63,534	69,829
Long Term	25,382	25,136	26,835	27,261	24,400	31,100	31,787	36,296	38,658	43,482
	67,348	71,197	79,864	79,791	73,018	84,161	91,328	99,479	102,192	113,311

Balance Sheet Deferred Revenues

Add: Uncollected billed amounts offset against trade receivables balance. (representing unpaid invoices not yet recognized as revenue)	17,990	29,976	18,349	19,119	36,824	37,000	37,014	33,997	37,056	34,374
Total Deferred Revenues	85,338	101,173	98,213	98,910	109,842	121,161	128,342	133,476	139,248	147,685



Radware Ltd. Condensed and Consolidated -

US GAAP Income Statements

(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'14	FY'15	FY'16				FY'16	FY'17				FY'17		
	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended					Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	
			31-Mar	30-Jun	30-Sep	31-Dec			31-Mar	30-Jun	30-Sep		31-Dec	
Revenues	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369		
Cost of revenues	39,732	38,200	8,654	8,887	8,558	9,596	35,695	8,994	9,634	9,928	11,060	39,616		
Gross profit	182,160	178,366	39,771	40,698	38,305	42,116	160,890	39,918	41,322	43,119	47,394	171,753		
Operating expenses:														
Research and development, net	44,081	49,987	13,424	13,001	13,072	12,235	51,732	14,240	15,013	14,678	15,072	59,003		
Selling and marketing	93,203	93,347	24,912	25,865	24,853	28,144	103,774	25,979	26,410	27,189	29,166	108,744		
General and administrative	19,797	17,033	5,769	3,893	4,245	4,226	18,133	4,780	4,380	4,152	4,265	17,577		
Other income	-	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)		
Total operating expenses	157,081	160,367	44,105	42,759	42,170	44,605	173,639	44,999	45,803	46,019	41,603	178,424		
Operating income (loss)	25,079	17,999	(4,334)	(2,061)	(3,865)	(2,489)	(12,749)	(5,081)	(4,481)	(2,900)	5,791	(6,671)		
Financial Income, net	5,802	5,867	1,940	1,232	1,706	863	5,741	1,107	640	2,148	935	4,830		
Income (loss) before taxes on income	30,881	23,866	(2,394)	(829)	(2,159)	(1,626)	(7,008)	(3,974)	(3,841)	(752)	6,726	(1,841)		
Taxes on income	5,931	5,297	358	498	288	507	1,651	104	218	725	4,605	5,652		
Net income (loss)	\$ 24,950	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)		
Diluted net earnings (loss) per share	\$ 0.53	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)		
Weighted average number of shares used to compute diluted net earnings (loss) per share	46,894,615	46,738,604	44,468,827	43,944,924	43,752,220	43,313,644	43,868,221	43,225,062	43,821,006	43,951,325	45,728,792	43,475,844		
Gross margin	82.1%	82.4%	82.1%	82.1%	81.7%	81.4%	81.8%	81.6%	81.1%	81.3%	81.1%	81.3%		
R&D % of total revenue	19.9%	23.1%	27.7%	26.2%	27.9%	23.7%	26.3%	29.1%	29.5%	27.7%	25.8%	27.9%		
S&M % of total revenue	42.0%	43.1%	51.4%	52.2%	53.0%	54.4%	52.8%	53.1%	51.8%	51.3%	49.9%	51.4%		
G&A % of total revenue	8.9%	7.9%	11.9%	7.9%	9.1%	8.2%	9.2%	9.8%	8.6%	7.8%	7.3%	8.3%		
Total operating expenses % of total revenues	70.8%	74.0%	91.1%	86.2%	90.0%	86.3%	88.3%	92.0%	89.9%	86.8%	71.2%	84.4%		
Operating margin	11.3%	8.3%	-8.9%	-4.2%	-8.2%	-4.8%	-6.5%	-10.4%	-8.8%	-5.5%	9.9%	-3.2%		
Net margin	11.2%	8.6%	-5.7%	-2.7%	-5.2%	-4.1%	-4.4%	-8.3%	-8.0%	-2.8%	3.6%	-3.5%		

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated -

Non-GAAP Income Statements

(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'14	FY'15	FY'16				FY'17					
	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
Revenues	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369
Cost of revenues	38,600	36,945	8,359	8,594	8,258	9,290	34,501	8,686	9,154	9,484	10,364	37,688
Gross profit	183,292	179,621	40,066	40,991	38,605	42,422	162,084	40,226	41,802	43,563	48,090	173,681
Operating expenses:												
Research and development, net	42,660	47,531	12,641	12,334	12,131	11,287	48,393	13,342	13,985	13,721	13,884	54,932
Selling and marketing	89,617	89,125	23,618	24,445	23,570	26,375	98,008	24,332	24,511	25,488	27,425	101,756
General and administrative	10,447	11,017	2,821	2,816	2,922	2,964	11,523	3,001	3,197	3,225	3,733	13,156
Total operating expenses	142,724	147,673	39,080	39,595	38,623	40,626	157,924	40,675	41,693	42,434	45,042	169,844
Operating income (loss)	40,568	31,948	986	1,396	(18)	1,796	4,160	(449)	109	1,129	3,048	3,837
Financial income, net	5,639	7,013	1,637	1,692	1,882	1,204	6,415	1,254	1,299	1,419	1,493	5,465
Income before taxes on income	46,207	38,961	2,623	3,088	1,864	3,000	10,575	805	1,408	2,548	4,541	9,302
Taxes on income	5,931	5,297	358	498	288	507	1,651	104	218	725	632	1,679
Net income	\$ 40,276	\$ 33,664	\$ 2,265	\$ 2,590	\$ 1,576	\$ 2,493	\$ 8,924	\$ 701	\$ 1,190	\$ 1,823	\$ 3,909	\$ 7,623
Diluted net earnings per share	\$ 0.86	\$ 0.72	\$ 0.05	\$ 0.06	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.17
Weighted average number of shares used to compute diluted net earnings per share	46,894,615	46,738,604	44,608,119	44,101,539	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732
Gross margin	82.6%	82.9%	82.7%	82.7%	82.4%	82.0%	82.4%	82.2%	82.0%	82.1%	82.3%	82.2%
R&D % of total revenue	19.2%	21.9%	26.1%	24.9%	25.9%	21.8%	24.6%	27.3%	27.4%	25.9%	23.8%	26.0%
S&M % of total revenue	40.4%	41.2%	48.8%	49.3%	50.3%	51.0%	49.9%	49.7%	48.1%	48.0%	46.9%	48.1%
G&A % of total revenue	4.7%	5.1%	5.8%	5.7%	6.2%	5.7%	5.9%	6.1%	6.3%	6.1%	6.4%	6.2%
Total operating expenses % of total revenues	64.3%	68.2%	80.7%	79.9%	82.4%	78.6%	80.3%	83.2%	81.8%	80.0%	77.1%	80.4%
Operating margin	18.3%	14.8%	2.0%	2.8%	0.0%	3.5%	2.1%	-0.9%	0.2%	2.1%	5.2%	1.8%
Tax rate	12.8%	13.6%	13.6%	16.1%	15.5%	16.9%	15.6%	12.9%	15.5%	28.5%	13.9%	18.0%
Net margin	18.2%	15.5%	4.7%	5.2%	3.4%	4.8%	4.5%	1.4%	2.3%	3.4%	6.7%	3.6%

Note: This document should be read in conjunction with the Company's SEC Filings.



GAAP to Non-GAAP Reconciliations

(U.S. Dollars in thousands, except share and per share data - unaudited)

GAAP gross profit

Stock-based compensation 79
 Amortization of intangible assets 1,053
 Acquisition related costs -

Non-GAAP gross profit

GAAP research and development, net

Stock-based compensation 1,421
 Acquisition related costs -

Non-GAAP Research and development, net

GAAP selling and marketing

Stock-based compensation 2,950
 Amortization of intangible assets 636

Non-GAAP selling and marketing

GAAP general and administrative

Stock-based compensation 2,932
 Acquisition related costs -
 Litigation related charges 6,418

Non-GAAP general and administrative

GAAP other income

Court verdict -

Non-GAAP other income

GAAP total operating expenses

Stock-based compensation 7,303
 Acquisition related costs -
 Amortization of intangible assets 636
 Litigation related charges 6,418
 Court verdict -

Non-GAAP total operating expenses

GAAP operating income (loss)

Stock-based compensation 7,382
 Acquisition related costs -
 Amortization of intangible assets 1,689
 Litigation related charges 6,418
 Court verdict -

Non-GAAP operating income (loss)

	FY'14	FY'15	FY'16				FY'17	FY'17				FY'17
	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
GAAP gross profit	\$ 182,160	\$ 178,366	\$ 39,771	\$ 40,698	\$ 38,305	\$ 42,116	\$ 160,890	\$ 39,918	\$ 41,322	\$ 43,119	\$ 47,394	\$ 171,753
Stock-based compensation	79	141	42	39	47	52	180	55	61	65	60	241
Amortization of intangible assets	1,053	1,114	253	254	253	254	1,014	253	419	379	86	1,137
Acquisition related costs	-	-	-	-	-	-	-	-	-	-	550	550
Non-GAAP gross profit	\$ 183,292	\$ 179,621	\$ 40,066	\$ 40,991	\$ 38,605	\$ 42,422	\$ 162,084	\$ 40,226	\$ 41,802	\$ 43,563	\$ 48,090	\$ 173,681
GAAP research and development, net	\$ 44,081	\$ 49,987	\$ 13,424	\$ 13,001	\$ 13,072	\$ 12,235	\$ 51,732	\$ 14,240	\$ 15,013	\$ 14,678	\$ 15,072	\$ 59,003
Stock-based compensation	1,421	2,456	783	667	941	948	3,339	898	1,028	957	984	3,867
Acquisition related costs	-	-	-	-	-	-	-	-	-	-	204	204
Non-GAAP Research and development, net	\$ 42,660	\$ 47,531	\$ 12,641	\$ 12,334	\$ 12,131	\$ 11,287	\$ 48,393	\$ 13,342	\$ 13,985	\$ 13,721	\$ 13,884	\$ 54,932
GAAP selling and marketing	\$ 93,203	\$ 93,347	\$ 24,912	\$ 25,865	\$ 24,853	\$ 28,144	\$ 103,774	\$ 25,979	\$ 26,410	\$ 27,189	\$ 29,166	\$ 108,744
Stock-based compensation	2,950	4,098	1,268	1,394	1,256	1,743	5,661	1,624	1,875	1,678	1,717	6,894
Amortization of intangible assets	636	124	26	26	27	26	105	23	24	23	24	94
Non-GAAP selling and marketing	\$ 89,617	\$ 89,125	\$ 23,618	\$ 24,445	\$ 23,570	\$ 26,375	\$ 98,008	\$ 24,332	\$ 24,511	\$ 25,488	\$ 27,425	\$ 101,756
GAAP general and administrative	\$ 19,797	\$ 17,033	\$ 5,769	\$ 3,893	\$ 4,245	\$ 4,226	\$ 18,133	\$ 4,780	\$ 4,380	\$ 4,152	\$ 4,265	\$ 17,577
Stock-based compensation	2,932	2,634	784	644	434	478	2,340	420	583	570	456	2,029
Acquisition related costs	-	-	-	-	-	-	-	340	-	-	-	340
Litigation related charges	6,418	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052
Non-GAAP general and administrative	\$ 10,447	\$ 11,016	\$ 2,821	\$ 2,816	\$ 2,922	\$ 2,964	\$ 11,523	\$ 3,001	\$ 3,197	\$ 3,225	\$ 3,733	\$ 13,156
GAAP other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,900)	\$ (6,900)
Court verdict	-	-	-	-	-	-	-	-	-	-	6,900	6,900
Non-GAAP other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAAP total operating expenses	\$ 157,081	\$ 160,367	\$ 44,105	\$ 42,759	\$ 42,170	\$ 44,605	\$ 173,639	\$ 44,999	\$ 45,803	\$ 46,019	\$ 41,603	\$ 178,424
Stock-based compensation	7,303	9,188	2,835	2,705	2,631	3,169	11,340	2,942	3,486	3,205	3,157	12,790
Acquisition related costs	-	-	-	-	-	-	-	340	-	-	204	544
Amortization of intangible assets	636	124	26	26	27	26	105	23	24	23	24	94
Litigation related charges	6,418	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052
Court verdict	-	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)
Non-GAAP total operating expenses	\$ 142,724	\$ 147,672	\$ 39,080	\$ 39,595	\$ 38,623	\$ 40,626	\$ 157,924	\$ 40,675	\$ 41,693	\$ 42,434	\$ 45,042	\$ 169,844
GAAP operating income (loss)	\$ 25,079	\$ 17,999	\$ (4,334)	\$ (2,061)	\$ (3,865)	\$ (2,489)	\$ (12,749)	\$ (5,081)	\$ (4,481)	\$ (2,900)	\$ 5,791	\$ (6,671)
Stock-based compensation	7,382	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031
Acquisition related costs	-	-	-	-	-	-	-	340	-	-	754	1,094
Amortization of intangible assets	1,689	1,238	279	280	280	280	1,119	276	443	402	110	1,231
Litigation related charges	6,418	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052
Court verdict	-	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)
Non-GAAP operating income (loss)	\$ 40,568	\$ 31,949	\$ 986	\$ 1,396	\$ (18)	\$ 1,796	\$ 4,160	\$ (449)	\$ 109	\$ 1,129	\$ 3,048	\$ 3,837

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GAAP to Non-GAAP Reconciliations - continues from previous page
(U.S. Dollars in thousands, except share and per share data - unaudited)

	FY'14	FY'15	FY'16				FY'16	FY'17				FY'17
	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
GAAP finance income	\$ 5,802	\$ 5,867	\$ 1,940	\$ 1,232	\$ 1,706	\$ 863	\$ 5,741	\$ 1,107	\$ 640	\$ 2,148	\$ 935	\$ 4,830
Exchange rate differences, net on balance sheet items included in financial income	(163)	1,147	(303)	460	176	341	674	147	659	(729)	558	635
Non-GAAP finance income	\$ 5,639	\$ 7,014	\$ 1,637	\$ 1,692	\$ 1,882	\$ 1,204	\$ 6,415	\$ 1,254	\$ 1,299	\$ 1,419	\$ 1,493	\$ 5,465
GAAP income (loss) before taxes on income	\$ 30,881	\$ 23,866	\$ (2,394)	\$ (829)	\$ (2,159)	\$ (1,626)	\$ (7,008)	\$ (3,974)	\$ (3,841)	\$ (752)	\$ 6,726	\$ (1,841)
Stock-based compensation	7,382	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031
Acquisition related costs	-	-	-	-	-	-	-	340	-	-	754	1,094
Amortization of intangible assets	1,689	1,238	279	280	280	280	1,119	276	443	402	110	1,231
Litigation related charges	6,418	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052
Court verdict	-	-	-	-	-	-	-	-	-	-	(6,900)	(6,900)
Exchange rate differences, net on balance sheet items included in financial income	(163)	1,147	(303)	460	176	341	674	147	659	(729)	558	635
Non-GAAP income before taxes on income	\$ 46,207	\$ 38,962	\$ 2,623	\$ 3,088	\$ 1,864	\$ 3,000	\$ 10,575	\$ 805	\$ 1,408	\$ 2,548	\$ 4,541	\$ 9,302
GAAP taxes on income	\$ 5,931	\$ 5,297	\$ 358	\$ 498	\$ 288	\$ 507	\$ 1,651	\$ 104	\$ 218	\$ 725	\$ 4,605	\$ 5,652
Court verdict	-	-	-	-	-	-	-	-	-	-	(724)	(724)
Change in the federal rate	-	-	-	-	-	-	-	-	-	-	(3,249)	(3,249)
Non-GAAP taxes on income	\$ 5,931	\$ 5,297	\$ 358	\$ 498	\$ 288	\$ 507	\$ 1,651	\$ 104	\$ 218	\$ 725	\$ 632	\$ 1,679
GAAP net income (loss)	\$ 24,950	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)
Stock-based compensation	7,382	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031
Acquisition related costs	-	-	-	-	-	-	-	340	-	-	754	1,094
Amortization of intangible assets	1,689	1,238	279	280	280	280	1,119	276	443	402	110	1,231
Litigation related charges	6,418	3,383	2,164	433	889	784	4,270	1,019	600	357	76	2,052
Court verdict	-	-	-	-	-	-	-	-	-	-	(6,176)	(6,176)
Exchange rate differences, net on balance sheet items included in financial income	(163)	1,147	(303)	460	176	341	674	147	659	(729)	558	635
Change in the federal rate	-	-	-	-	-	-	-	-	-	-	3,249	3,249
Non-GAAP net income	\$ 40,276	\$ 33,665	\$ 2,265	\$ 2,590	\$ 1,576	\$ 2,493	\$ 8,924	\$ 701	\$ 1,190	\$ 1,823	\$ 3,909	\$ 7,623
GAAP diluted net earnings (loss) per share	\$ 0.53	\$ 0.40	\$ (0.06)	\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.20)	\$ (0.09)	\$ (0.09)	\$ (0.03)	\$ 0.05	\$ (0.17)
Stock-based compensation	0.16	0.20	0.06	0.06	0.06	0.07	0.26	0.07	0.08	0.07	0.07	0.30
Acquisition related costs	-	-	-	-	-	-	-	0.01	-	-	0.02	0.02
Amortization of intangible assets	0.04	0.03	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01	-	0.03
Litigation related charges	0.14	0.07	0.05	0.01	0.02	0.02	0.10	0.02	0.01	0.01	-	0.05
Court verdict	-	-	-	-	-	-	-	-	-	-	(0.14)	(0.14)
Exchange rate differences, net on balance sheet items included in financial income	(0.00)	0.02	(0.01)	0.01	0.01	0.01	0.01	-	0.02	(0.02)	0.01	0.01
Change in the federal rate	-	-	-	-	-	-	-	-	-	-	0.08	0.07
Non-GAAP diluted net earnings per share	\$ 0.86	\$ 0.72	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.17
GAAP weighted average number of shares used to compute Non-GAAP diluted net earnings per share	46,894,615	46,738,604	44,468,827	43,944,924	44,077,078	43,721,973	44,125,436	43,985,249	45,054,172	45,210,495	45,728,792	44,756,732

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. Condensed and Consolidated -

US GAAP Cash Flows

(U.S. Dollars in thousands - unaudited)

Cash flows from operating activities:

Net income (loss)

Adjustments to reconcile net income (loss) to net cash provided by operating activities:

Depreciation and amortization

Stock based compensation

Gain from sale of available-for-sale marketable securities

Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net

Accrued interest on bank deposits

Increase (decrease) in accrued severance pay, net

Decrease (increase) in trade receivables, net

Decrease (increase) in other assets and prepaid expenses

Decrease (increase) in inventories

Increase (decrease) in trade payables

Increase (decrease) in other payables, deferred revenues and accrued expenses

Excess tax benefit from stock-based compensation

Net cash provided by (used in) operating activities

Cash flows from investing activities:

Purchase of property and equipment

proceeds from (investment in) other long-term assets

Proceeds from (investment in) bank deposits, net

Proceeds from (investment in) available-for-sale

marketable securities

Payment for the acquisition of subsidiary, net of cash acquired

Purchase of intangible assets

Net cash provided by (used in) investing activities

Cash flows from financing activities:

Proceeds from exercise of stock options

Excess tax benefit from stock-based compensation

Repurchase of shares

Net cash provided by (used in) financing activities

Increase (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

	FY'14		FY'15				FY'16				FY'17			
	Yr Ended 31-Dec	Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec	Quarter Ended				Yr Ended 31-Dec		
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec			
Net income (loss)	\$ 24,950	\$ 18,569	\$ (2,752)	\$ (1,327)	\$ (2,447)	\$ (2,133)	\$ (8,659)	\$ (4,078)	\$ (4,059)	\$ (1,477)	\$ 2,121	\$ (7,493)		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:														
Depreciation and amortization	8,102	9,401	2,534	2,561	2,614	2,663	10,372	2,819	2,987	2,861	2,567	11,234		
Stock based compensation	7,382	9,329	2,877	2,744	2,678	3,221	11,520	2,997	3,547	3,270	3,217	13,031		
Gain from sale of available-for-sale marketable securities	(424)	(2,438)	(577)	(549)	(651)	6	(1,771)	-	-	-	(18)	(18)		
Amortization of premiums, accretion of discounts and accrued interest on available-for-sale marketable securities, net	2,964	3,208	378	514	385	672	1,949	361	270	450	465	1,546		
Accrued interest on bank deposits	1,069	(1,998)	(661)	6	201	1,633	1,179	1,382	150	(720)	(586)	226		
Increase (decrease) in accrued severance pay, net	(158)	125	322	19	(51)	111	401	135	41	44	(430)	(210)		
Decrease (increase) in trade receivables, net	(726)	(773)	(1,495)	1,848	4,711	1,939	7,003	(1,450)	3,352	5,324	(3,836)	3,390		
Decrease (increase) in other assets and prepaid expenses	(3,688)	112	(304)	(106)	149	(1,542)	(1,803)	1,034	(196)	(459)	(8,258)	(7,879)		
Decrease (increase) in inventories	(2,654)	522	(254)	395	(631)	(302)	(792)	(1,278)	(1,063)	731	(48)	(1,658)		
Increase (decrease) in trade payables	1,019	(562)	(4,178)	1,010	(1,036)	920	(3,284)	(1,710)	1,574	(1,415)	817	(734)		
Increase (decrease) in other payables, deferred revenues and accrued expenses	15,784	4,273	12,919	606	(7,194)	15,487	21,818	6,092	4,761	(2,770)	11,945	20,028		
Excess tax benefit from stock-based compensation	(1,443)	(632)	-	74	-	473	547	-	-	-	-	-		
Net cash provided by (used in) operating activities	52,177	39,136	8,809	7,795	(1,272)	23,148	38,480	6,304	11,364	5,839	7,956	31,463		
Cash flows from investing activities:														
Purchase of property and equipment	(9,482)	(13,774)	(2,629)	(2,881)	(2,561)	(1,333)	(9,404)	(1,882)	(2,475)	(1,240)	(1,613)	(7,210)		
proceeds from (investment in) other long-term assets	34	(100)	19	(16)	(3)	(53)	(53)	47	(31)	(4)	(18)	(6)		
Proceeds from (investment in) bank deposits, net	(20,929)	(33,824)	(4,436)	(9,952)	16,097	29,586	31,295	(33,907)	(1,219)	(2,074)	-	(37,200)		
Proceeds from (investment in) available-for-sale marketable securities	(4,280)	-	-	-	-	-	-	-	-	-	-	-		
Proceeds from (investment in) available-for-sale marketable securities	(4,280)	40,845	3,106	155	4,339	(1,079)	6,521	3,887	(5,910)	485	(2,119)	(3,657)		
Payment for the acquisition of subsidiary, net of cash acquired	-	-	-	-	-	-	-	(8,269)	-	-	-	(8,269)		
Purchase of intangible assets	(1,375)	-	-	-	-	-	-	-	-	-	-	-		
Net cash provided by (used in) investing activities	(36,032)	(6,853)	(3,940)	(12,694)	17,872	27,121	28,359	(40,124)	(9,635)	(2,833)	(3,750)	(56,342)		
Cash flows from financing activities:														
Proceeds from exercise of stock options	22,493	8,746	-	-	330	1,253	1,583	1,310	1,228	851	7,501	10,890		
Excess tax benefit from stock-based compensation	1,443	632	-	(74)	-	(473)	(547)	-	-	-	-	-		
Repurchase of shares	(15,169)	(52,896)	(6,780)	(4,932)	-	(10,268)	(21,980)	-	-	(413)	-	(413)		
Net cash provided by (used in) financing activities	8,767	(43,518)	(6,780)	(5,006)	330	(9,488)	(20,944)	1,310	1,228	438	7,501	10,477		
Increase (decrease) in cash and cash equivalents	24,912	(11,235)	(1,911)	(9,905)	16,930	40,781	45,895	(32,510)	2,957	3,444	11,707	(14,402)		
Cash and cash equivalents at the beginning of the period	20,067	44,979	33,744	31,833	21,928	38,858	33,744	79,639	47,129	50,086	53,530	79,639		
Cash and cash equivalents at the end of the period	\$ 44,979	\$ 33,744	\$ 31,833	\$ 21,928	\$ 38,858	\$ 79,639	\$ 79,639	\$ 47,129	\$ 50,086	\$ 53,530	\$ 65,237	\$ 65,237		

Note: This document should be read in conjunction with the Company's SEC Filings.



Radware Ltd. - Revenues mix
(U.S. Dollars in thousands - unaudited)

Revenue by geography:

	FY'14 Yr Ended 31-Dec	FY'15 Yr Ended 31-Dec	FY'16 Quarter Ended				FY'16 Yr Ended 31-Dec	FY'17 Quarter Ended				FY'17 Yr Ended 31-Dec
			31-Mar	30-Jun	30-Sep	31-Dec		31-Mar	30-Jun	30-Sep	31-Dec	
Americas	\$ 93,486	\$ 88,685	\$ 20,007	\$ 22,069	\$ 19,967	\$ 22,690	\$ 84,733	\$ 18,300	\$ 24,263	\$ 26,601	\$ 28,737	\$ 97,901
EMEA	55,375	62,689	12,567	14,035	12,217	14,905	53,724	14,590	13,121	13,788	15,090	56,589
APAC	73,031	65,192	15,851	13,481	14,679	14,117	58,128	16,022	13,572	12,658	14,627	56,879
Total revenue	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369

Revenue % of total:

Americas	42.1%	41.0%	41.3%	44.5%	42.6%	43.9%	43.1%	37.4%	47.6%	50.1%	49.2%	46.3%
EMEA	25.0%	28.9%	26.0%	28.3%	26.1%	28.8%	27.3%	29.8%	25.7%	26.0%	25.8%	26.8%
APAC	32.9%	30.1%	32.7%	27.2%	31.3%	27.3%	29.6%	32.8%	26.6%	23.9%	25.0%	26.9%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by vertical:

Enterprise	\$ 151,888	\$ 152,824	\$ 34,482	\$ 34,380	\$ 33,284	\$ 34,104	\$ 136,251	\$ 33,750	\$ 33,321	\$ 31,876	\$ 39,692	\$ 138,639
Carrier	70,004	63,742	13,943	15,205	13,579	17,607	60,334	15,162	17,635	21,171	18,762	72,730
Total revenue	\$ 221,892	\$ 216,566	\$ 48,425	\$ 49,585	\$ 46,863	\$ 51,712	\$ 196,585	\$ 48,912	\$ 50,956	\$ 53,047	\$ 58,454	\$ 211,369

Revenue % of total:

Enterprise	68.5%	70.6%	71.2%	69.3%	71.0%	66.0%	69.3%	69.0%	65.4%	60.1%	67.9%	65.6%
Carrier	31.5%	29.4%	28.8%	30.7%	29.0%	34.0%	30.7%	31.0%	34.6%	39.9%	32.1%	34.4%
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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