



## Commtouch (NASDAQ: CTCH)

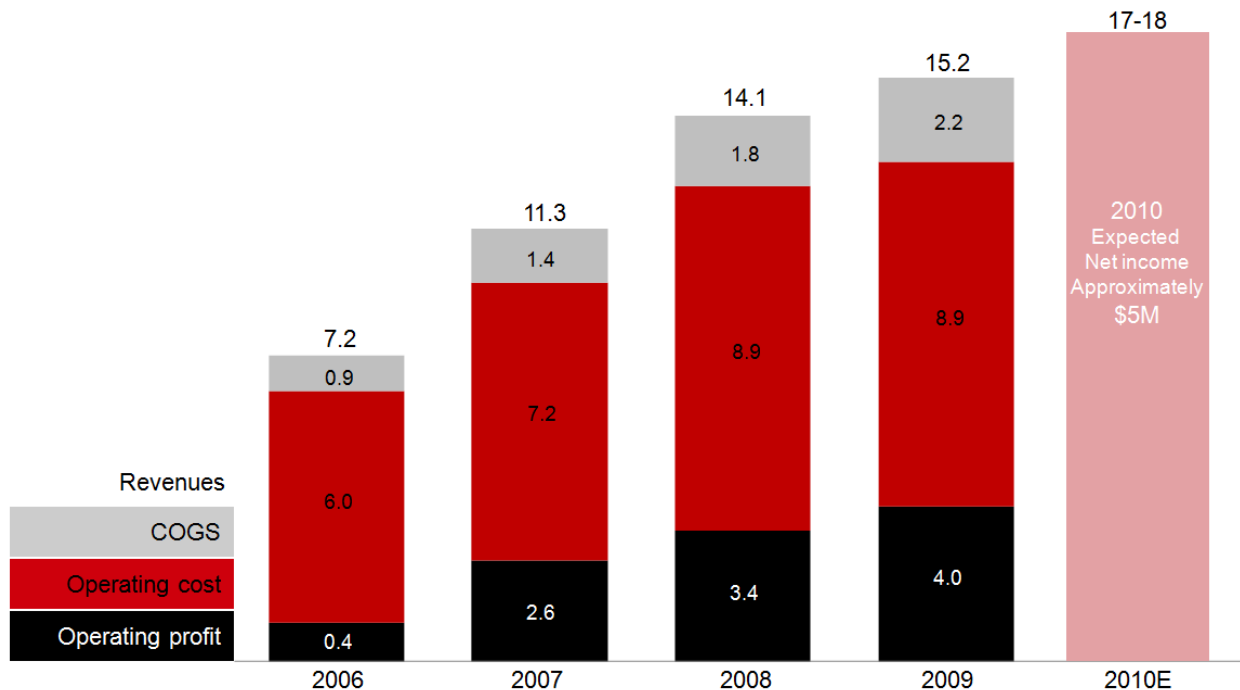
Commtouch® (NASDAQ: CTCH) provides proven messaging and Web security technology to more than 100 security companies and service providers including 3Com, Check Point, F-Secure, Netgear, Panda Security, Mirapoint, Sendmail and WatchGuard, for integration into their solutions. The company's expertise in building efficient, massive-scale security services has resulted in mitigating Internet threats for thousands of organizations and hundreds of millions of users in 190 countries. Commtouch is headquartered in Netanya, Israel, with a subsidiary in Sunnyvale, Calif.

### Investment Highlights

<b>Strong revenue growth, positive operating cash flow</b>	<ul style="list-style-type: none"> <li>■ Q4 2009 revenues grew 3% vs. Q3 2009, and 15% vs. Q4 2008</li> <li>■ Operating cash flow of \$1.8 million in Q4 2009 and \$5.1 million for year 2009</li> <li>■ Q4 2009 revenues \$4,014 thousand; Q4 net income: \$3,179 thousand (GAAP), \$1,111 thousand (non-GAAP)</li> </ul>
<b>Compelling Growth Strategy</b>	<ul style="list-style-type: none"> <li>■ Signed 6 new agreements in Q409, reaching 135 OEM partners at end of Q409</li> <li>■ Up-sell potential for additional technologies – Zero-Hour Virus Protection, GlobalView Mail Reputation Service and Web Security solutions</li> <li>■ Growing partner distribution network each quarter by more than 10%</li> <li>■ Thousands of end-user clients</li> </ul>
<b>Attractive Business Model</b>	<ul style="list-style-type: none"> <li>■ Recurring revenues, low churn</li> <li>■ Low capex, high margins</li> <li>■ Fixed cost structure</li> </ul>
<b>Unique Technologies</b>	<ul style="list-style-type: none"> <li>■ Patented global cloud-based messaging and Web protection</li> <li>■ Global Detection Centers analyze billions of email and Web transactions per week, blocking spam, virus outbreaks and malicious Web sites in real-time</li> </ul>

### Financial Summary

Non-GAAP Profit and loss, \$million

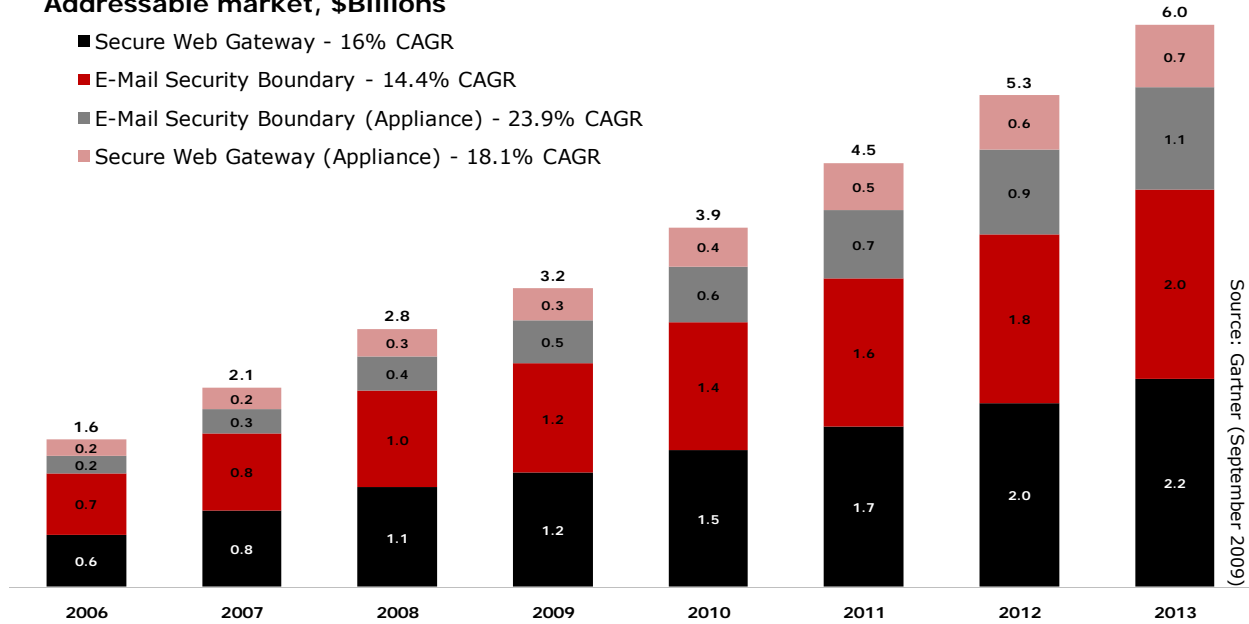




## Total Addressable Market

### Addressable market, \$Billions

- Secure Web Gateway - 16% CAGR
- E-Mail Security Boundary - 14.4% CAGR
- E-Mail Security Boundary (Appliance) - 23.9% CAGR
- Secure Web Gateway (Appliance) - 18.1% CAGR



## Commtouch Technologies Protect at the Zero-Hour

Commtouch's patented Recurrent Pattern Detection™ (RPD) and GlobalView™ technologies are founded on a unique cloud-based approach, and work together in a comprehensive feedback loop to protect effectively in all languages and formats.

### Cloud-based pattern recognition technology

<p>Open traffic collectors</p>	<p>Zero-hour malware patterns</p>	<p>Web, trend patterns</p>
<p>Threat research, zombie feed</p>		<p>Spam trends 2,000,000,000 messages daily</p>
<p>User feedback</p>	<p>URL dynamics popularity reputation</p>	<p>3<sup>rd</sup> party Security Alliance data</p>

For more information, contact Ron Ela, CFO

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