



Commtouch (NASDAQ: CTCH)

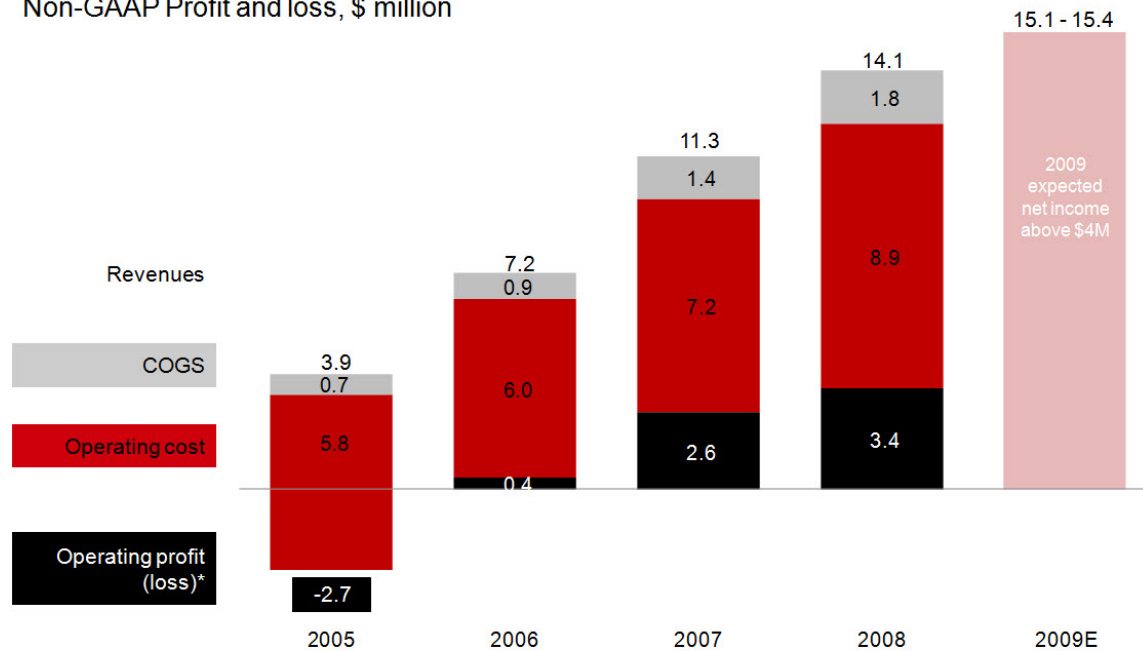
Commtouch® (NASDAQ: CTCH) provides proven messaging and Web security technology to more than 100 security companies and service providers including 3Com, Check Point, F-Secure, Netgear, Panda Security, Mirapoint, Sendmail and WatchGuard, for integration into their solutions. The company's expertise in 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

Strong revenue growth, positive operating cash flow	<ul style="list-style-type: none"> ■ Q3 2009 revenues grew 4% vs. Q2 2009, and 8% vs. Q3 2008 ■ Operating cash flow of \$1.6 million in Q3 2009 and \$3.2 million for the first nine months of 2009 ■ Q3 2009 revenues \$3,899 thousand; Q3 net income: \$849 thousand (GAAP), \$1,199 thousand (non-GAAP)
Compelling Growth Strategy	<ul style="list-style-type: none"> ■ Signed 10 new agreements in Q309, reaching 131 OEM partners at end of Q309 ■ Up-sell potential for additional technologies – Zero-Hour Virus Protection, GlobalView Mail Reputation Service and Web Security solutions ■ Growing partner distribution network each quarter by more than 10% ■ Thousands of end-user clients
Attractive Business Model	<ul style="list-style-type: none"> ■ Recurring revenues, low churn ■ Low capex, high margins ■ Fixed cost structure
Unique Technologies	<ul style="list-style-type: none"> ■ Patented global cloud-based messaging and Web protection ■ Global Detection Centers analyze billions of email and Web transactions per week, blocking spam, virus outbreaks and malicious Web sites in real-time

Financial Summary

Non-GAAP Profit and loss, \$ million



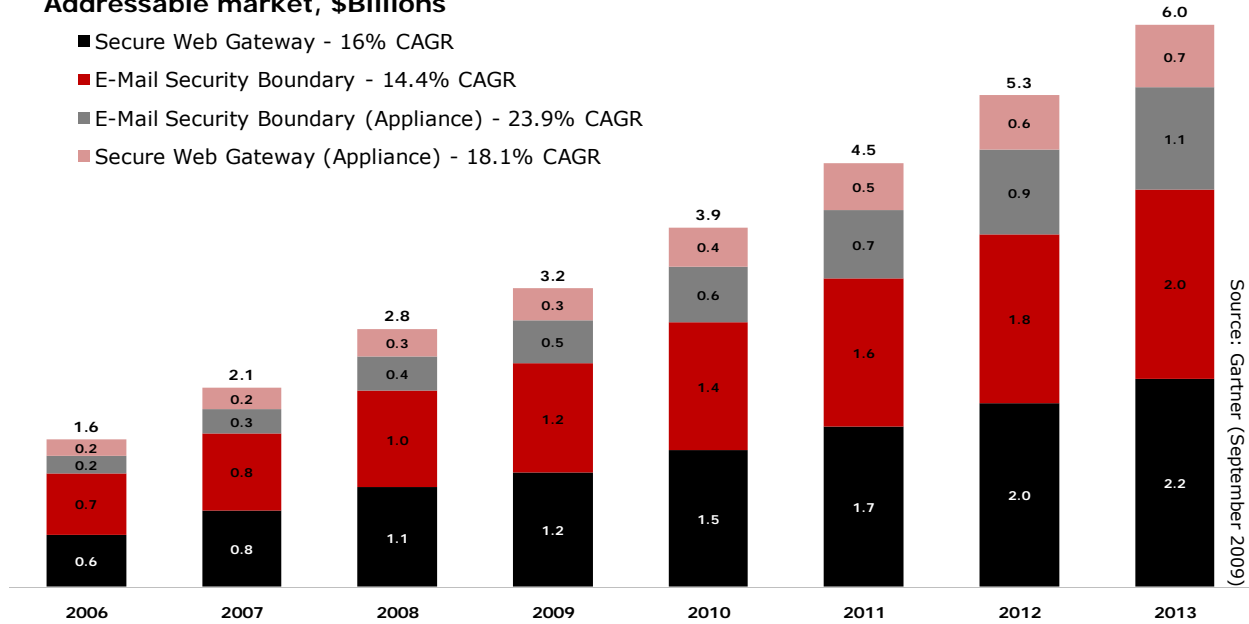
* Excludes revenues from return on cash reserves, included in net income



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>3rd party Security Alliance data</p>

For more information, contact Ron Ela, CFO

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