

Q3 Financial Review

November 2011



Safe Harbor Statement

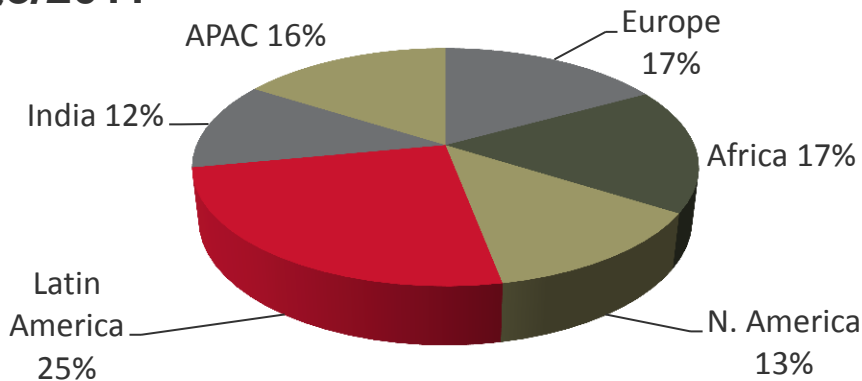
This presentation may contain "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995) that involve risks, uncertainties and assumptions.

If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, any projections of financial information; any statements about historical results that may suggest trends for our business; any statements of the plans, strategies, and objectives of management for future operations; any statements of expectation or belief regarding future events, potential markets or market size, technology developments, or enforceability of our intellectual property rights; and any statements of assumptions underlying any of the items mentioned. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as a result of many factors, including but not limited to: the unpredictable nature of our rapidly evolving market and quarterly fluctuations in our business; the effects of competition; and any adverse changes in our indirect channel relationships. "These and other risks and uncertainties associated with our business are described in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission."

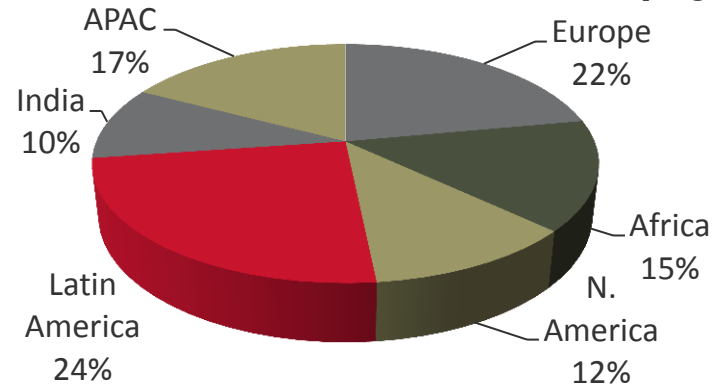
Revenues-Geographic Split

	Q2/10	Q3/10	Q4/10	FY 2010	Q1/11	Q2/11	Q3/11
Europe	23%	22%	28%	23%	22%	28%	17%
MEA	2%	1%	7%	4%	18%	9%	17%
North America	16%	15%	16%	17%	13%	9%	13%
India	42%	33%	31%	37%	15%	3%	12%
APAC	11%	18%	10%	12%	17%	19%	16%
Latin America	6%	11%	8%	7%	15%	32%	25%
Total	100%	100%	100%	100%	100%	100%	100%

Q3/2011



YTD/2011



Direct vs. OEM	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
% DIRECT	84%	67%	62%	90%	94%	91%
% OEM	16%	33%	38%	10%	6%	9%

NON-GAAP* Profit (Loss)

	Actual (unaudited)					
	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Revenues	60,889	62,293	66,983	100,312	110,350	116,120
Cost of Revenues	39,348	39,420	42,142	67,833	75,128	78,667
Gross profit	21,541	22,873	24,841	32,479	35,222	37,453
Gross margin	35.4%	36.7%	37.1%	32.4%	31.9%	32.3%
Research & Development	5,585	5,998	6,471	11,041	11,453	12,023
% R&D	9.2%	9.6%	9.7%	11.0%	10.4%	10.4%
Sales & Marketing	8,607	9,073	9,402	16,661	18,730	18,359
%S&M	14.1%	14.6%	14.0%	16.6%	17.0%	15.8%
General & Administration	2,752	2,708	2,654	4,592	5,509	5,511
%G&A	4.5%	4.3%	4.0%	4.6%	5.0%	4.7%
Total operating expenses	16,944	17,779	18,527	32,294	35,692	35,893
Operating profit (loss)	4,597	5,094	6,314	185	(470)	1,560
Operating margin	7.6%	8.2%	9.4%	0.2%	(0.4%)	1.3%

* Excluding option expenses and non-recurring expenses

Cash Flow

	(U.S. dollars in thousands)					
	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Total cash	94,897	77,286	81,533	78,138	64,385	45,939
Cash flow from operations	(744)	(14,419)	4,695	(1,011)	(10,797)	(15,100)
Capital expenditures	(2,577)	(2,244)	(2,083)	(2,789)	(3,240)	(3,722)
Option Exercise	430	284	1,635	3,296	284	376
Long term loan				35,000		
IP/Business acquisition	(1,150)	(1,232)		(37,891)		
Net Change in Cash	(4,041)	(17,611)	4,247	(3,395)	(13,753)	(18,446)



Selected data from balance sheet

	(U.S. dollars in thousands) (Unaudited)					
	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Inventory	68,577	61,850	65,920	114,770	103,000	95,925
Inventory Days	157	141	141	146	123	110
Trade Receivables	56,690	69,417	88,074	125,780	113,978	135,849
DSOs	84	100	118	113	93	105

Reported Results

	(U.S. dollars in thousands) (Unaudited)						
	Q2/10	Q3/10	Q4/10	FY 2010	Q1/11	Q2/11	Q3/11
Revenues	60,889	62,293	66,983	249,852	100,312	110,350	116,120
Cost of Revenues	39,348	39,420	42,142	160,155	67,833	75,128	78,667
Gross profit	21,541	22,873	24,841	89,697	32,479	35,222	37,453
R&D - Net	5,585	5,998	6,471	23,150	11,041	11,453	12,023
S&M	8,607	9,073	9,402	36,002	16,661	18,730	18,359
G&A	2,752	2,708	2,654	10,428	4,592	5,509	5,511
Total Operating Expenses	16,944	17,779	18,527	69,580	32,294	35,692	35,893
Operating profit (loss)	4,597	5,094	6,314	20,117	185	(470)	1,560
Finance Income (expenses)	276	621	124	1,255	(447)	(312)	(241)
Income Tax	(273)	(249)	(304)	(1,178)	(595)	817	724
Non GAAP Net Income (loss)	4,600	5,466	6,134	20,194	(857)	(1,599)	595
Non GAAP EPS	\$0.13	\$0.15	\$0.17	\$0.55	(\$0.02)	(\$0.04)	\$0.02
# of Fully Diluted Shares ('000)*	36,318	36,233	36,996	36,565	35,604	35,983	37,528
Option Expense	852	843	1,541	4,207	1,419	1,437	1,677
Other expenses	1,150		775	1,925	19,100	14,334	5,659
GAAP Net Income (Loss)	2,598	4,623	3,818	14,062	(21,376)	(17,370)	(6,741)
GAAP EPS	\$0.07	\$0.13	\$0.10	\$0.38	(\$0.60)	(\$0.48)	(\$0.19)

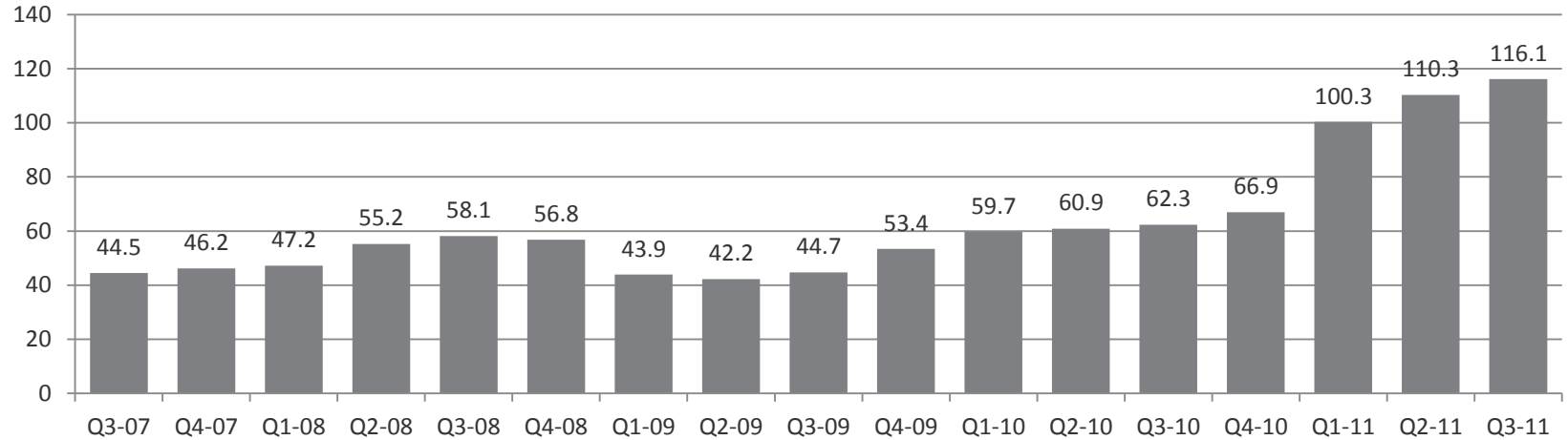
* In Q1/11 & Q2/11 - number of basic shares

Quarterly Revenue and Non-GAAP Net Income: Solid and Profitable

Revenue

(\$mm)

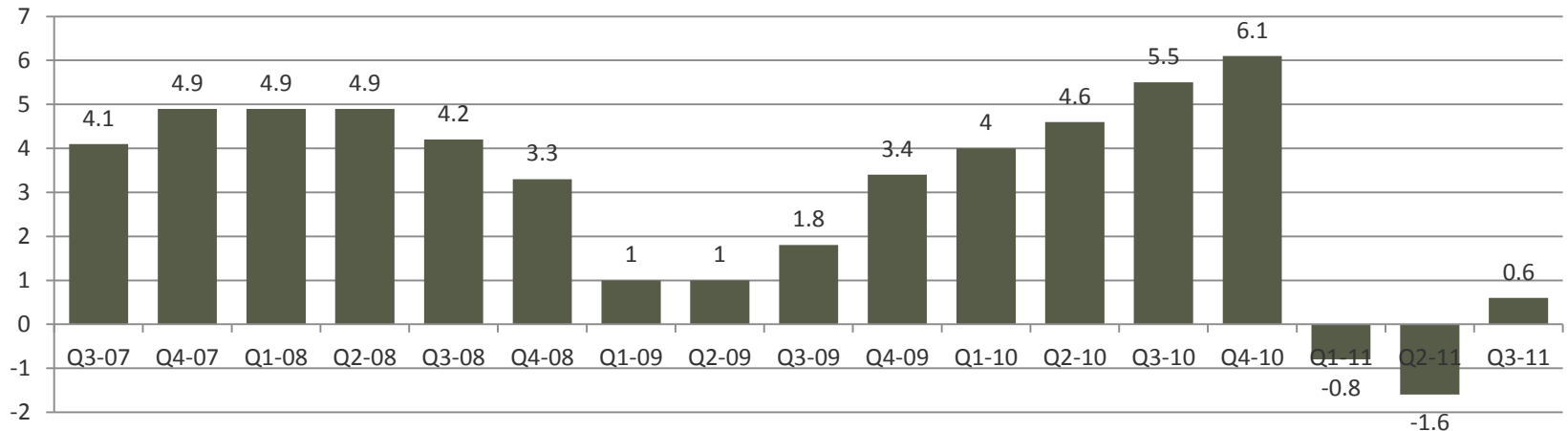
Revenue(\$mm)



Net income

(\$mm)

Net Income(\$mm)





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