



**FOR IMMEDIATE RELEASE**

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**INFOVISTA REPORTS SOLID FINANCIAL RESULTS FOR Q4 AND  
FY09 IN TOUGH ECONOMIC ENVIRONMENT**

**Year of restructuring pays off:**

- **10% net margin in Q4**
- **Improving cost structure leads to 5% full-year operating margin**
- **Nearly €7 million positive cash flow in full year**

**Paris, France – July 28, 2009 – InfoVista** (Euronext: IFV, ISIN: FR0004031649), a leading Proactive Service Assurance management software company, today announced financial results for its fourth quarter and full year ended June 30, 2009.

Total revenues for the quarter were €1.5 million, up 4% from the €1.1 million reported for the comparable quarter last year. For the year ended June 30, 2009, total revenues increased 1% to €45.2 million. Operating profit increased to €1.4 million for the fourth quarter and €2.1 million for the fiscal year, as compared to breakeven and €0.8 million respectively for the same periods last year. InfoVista posted a net profit for the fourth quarter of €1.2 million versus €0.7 million in the comparable quarter last year, while for the full year InfoVista recorded a net profit of €2.2 million versus a net loss of €1.3 million in the previous fiscal year.

Commenting on the Company's performance, Philippe Ozanian, Chief Executive Officer, said:

“For InfoVista, fiscal year 2009 was a period of in-depth renewal, and I am pleased to report that in the toughest operating environment we ever faced, our transformation is paying off. Confronting lower demand in mature markets, we aggressively sought new sources of revenues in emerging countries to complement our solid recurrent revenue base. Ahead of many in the industry, we sharply reduced our cost base. As a result, we boosted profitability quarter after quarter. I am particularly proud of our cash flow generation, underscoring the health of our fundamentals and enabling us to end the fiscal year with nearly €9 million in cash despite substantial outlays for the third quarter restructuring and first-half share buybacks.” Mr. Ozanian added: “Our strong recurring service base, making up more than 50% of our business, provides some visibility into the next fiscal year. Promising new solutions, powerful alliances, and an ambitious sales strategy – backed by these strengths, we have set as our objective for the current fiscal year to achieve growth of 5% over our normalized FY09 revenues that exclude the contribution from Microsoft. On that basis, we aim to deliver a net margin of no less than 5%. The Board's confidence in the value of our strategy was underscored by its decision to extend InfoVista's share-buyback program into the current fiscal year.”

## **Financial Highlights**

### **Revenues by Type**

<i>In thousands</i>	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>% change</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>% change</b>
License revenues	€4,886	€5,003	-2%	€20,614	€22,377	-8%
Service revenues	6,648	6,113	9%	24,570	22,537	9%
<b>Total</b>	<b>€11,534</b>	<b>€11,116</b>	<b>4%</b>	<b>€45,184</b>	<b>€44,914</b>	<b>1%</b>

- Total revenues included €5.1 million of 5View revenues for the fiscal year compared to a seven-month €2.2 million contribution in the fiscal year to June 30, 2008.

### **Revenues by Region**

<i>In thousands</i>	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>% change</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>% change</b>
EMEA	€5,881	€6,345	-7%	€24,027	€23,247	3%
Americas	4,431	3,947	12%	16,164	17,495	-8%
Asia-Pacific	1,222	824	48%	4,993	4,172	20%
<b>Total</b>	<b>€11,534</b>	<b>€11,116</b>	<b>4%</b>	<b>€45,184</b>	<b>€44,914</b>	<b>1%</b>

### **Revenue Drivers:**

- In EMEA, despite lower revenues in traditional European markets, total revenues were sustained by good momentum in emerging markets for the fourth quarter and fiscal year.
- Notwithstanding the improvement achieved in Q4, the underlying environment remained very tough in North America. In the quarter, InfoVista recorded €0.8 million in revenues related to the final portion of the multi-year license agreement with Microsoft signed in December 2006. No revenues from Microsoft had been recorded in the comparable quarter last year. InfoVista recorded €4.2 million and €3.7 million, respectively, of license revenues for fiscal year 2009 and 2008 from the Microsoft deal. On a constant dollar basis, total revenues for the Americas would have decreased year on year by 4% and 11% for the quarter and full year, respectively, as compared to similar periods in the prior year.
- Solid execution in the Asia-Pacific region, especially in Southeast Asia and Australia, helped InfoVista improve its operational performance for the fourth quarter and fiscal year.
- In the fourth quarter, InfoVista derived the majority of its revenues from its direct sales channel, which accounted for 69% of the total. The service provider market generated 68% of total revenues for the quarter.

### **Gross margin**

- Gross margin in the fourth quarter stood at 79% of total revenues, unchanged from the same quarter of the prior year. Gross margin for the fiscal year was 78% versus 79% for the previous fiscal year. The slight drop in gross margin for the full year primarily reflects the growing contribution of services to total revenues.

## Operating Expenses

<i>In thousands</i>	Q4 2009	Q4 2008	% change	FY 2009	FY 2008	% change
Sales & Marketing	€3,835	€4,476	-14%	€15,560	€17,495	-11%
Research & Development	2,344	2,791	-16%	9,723	10,581	-8%
General & Administrative	1,383	1,422	-3%	5,717	6,439	-11%
<b>Total</b>	<b>€7,562</b>	<b>€8,689</b>	<b>-13%</b>	<b>€31,000</b>	<b>€34,515</b>	<b>-10%</b>

- The sharp drops in total operating expenses in the quarter and full year reflect the well-executed cost-reduction program announced in January 2009.
- Sales & marketing costs represented 33% and 34% of total revenues for the fourth quarter and full year, respectively. The decline in sales & marketing expenses primarily reflects lower personnel costs following the cost-reduction program initiated in the third quarter, along with ongoing cost optimization.
- Research & development costs represented 20% and 22% of total revenues for the fourth quarter and full year, respectively. For the fiscal year, savings arose from a French R&D tax credit benefit of €0.8 million claimed for past periods as well as the improved management of development costs. For the quarter, research and development costs benefited from €0.3 million in tax credit, along with cost reduction from the January 2009 plan.
- General & administrative costs represented 12% and 13% of total revenues for the fourth quarter and full year, respectively. Lower executive management costs, along with other cost-reduction initiatives, accounted for the decline.
- As at June 30, 2009, InfoVista had 229 employees.

## Balance Sheet

- Days Sales Outstanding (DSO) stood at 65 days for the fourth quarter, as compared to 97 days in the comparable year-earlier quarter. This improvement resulted from stronger cash collections in the fourth quarter as compared to the prior year.
- As at June 30, 2009, the Company's cash, cash equivalent and current financial assets amounted to €28.6 million, as compared to €23.0 million at the end of the prior quarter and €21.9 million at June 30, 2008. The €6.7 million annual increase is primarily due to positive operating cash flow, despite €1.1 million paid in the second half for restructuring and €1.7 million used on the company stock-buyback program, primarily in the first half of the fiscal year. In the fourth quarter, InfoVista recorded particularly strong positive cash flow of €5.6 million, with approximately €1 million in net cash received for R&D tax credits along with significant cash collections.
- As at June 30, 2009, InfoVista had a total of 18,007,329 and 17,466,173 shares issued and outstanding, respectively. During the fourth quarter, the board of directors cancelled 650,000 treasury shares. In July 2009, our board of directors demonstrated their confidence in the value of the Company's strategy by renewing its stock buyback program. As a result, the Company is able to purchase up to 10% of its total shares, which represents up to 1,259,576 shares as of June 30, 2009.

## **Technical Developments during the Fiscal Year**

Over the past year, InfoVista has been preparing for its future by enlarging its portfolio of products to expand its addressable markets. These new products provide InfoVista with new opportunities in the mobile and broadband markets as well as WAN optimization. During the Fiscal Year InfoVista announced the following new launches and industry firsts:

- InfoVista launched WAN optimization assurance and unification of network and application performance management. The launch incorporated the announcement of two new products, 5View Service Data Manager (including Application Usage Manager) and Application Optimization Manager.
- InfoVista also announced the release of VistaInsight® for Networks 3.1 along with two new Knowledge Packs for Mobile and Broadband operators. These new products extend InfoVista's capabilities beyond the core network, while supporting additional network equipment vendors.

## **Outlook**

In the fiscal year to June 30, 2010, InfoVista does not expect a significant improvement in the overall performance of the market it serves, although demand appears to have bottomed out in certain countries in recent weeks. Against this background, InfoVista's objective is to achieve revenue growth of 5% above normalized revenues for fiscal year 2009, i.e. excluding €4.2 million in revenues related to the multi-year license agreement with Microsoft signed in December 2006. Reflecting the full-year impact of its well-executed cost-reduction program, InfoVista aims to deliver a net margin of no less than 5% in the fiscal year 2010.

## **Conference call**

InfoVista will host an investor conference call on Tuesday, July 28, 2009 at 9.00 a.m. (EST) / 2:00 p.m. (UK) / 3:00 p.m. (Continental Europe). The call will be available by dialing +33 (0)1 70 99 42 70 in France, +44 (0)20 7138 0826 in the UK, or +1 212 444 0481 in North America and in each case followed by access code 8661841. A replay will be available shortly after the end of the call at the following numbers: France: +33 (0)1 71 23 02 48 UK: +44 (0)20 7806 1970 North America: +1 718 354 1112 – all with access code 8661841#.

## **About InfoVista**

InfoVista enables managed service providers, mobile operators, broadband operators and enterprise IT organizations to ensure the availability and quality of the services they deliver at the lowest possible cost, empowering these organizations to successfully make the transformation from infrastructure providers to service providers. Our customers rely on InfoVista's proven solutions for service and infrastructure performance management to successfully launch new and high performance services, foresee potential service issues before they impact end users, reduce customer churn, and invest appropriately. Sample customers include Bell Canada, Bharti, BNP Paribas, Cable & Wireless, Citigroup, Deutsche Telekom, JP Morgan Chase, KPN International, SFR, T-Mobile, Telefonica, and Telstra. InfoVista is traded on the Euronext Paris (FR0004031649) and can be found online at [www.infovista.com](http://www.infovista.com).

*Except for historical information contained herein, the matters discussed in this news release are "forward looking statements." These statements involve risks and uncertainties which could cause actual results to differ materially from those in such forward-looking statements; including, without limitation, risks and uncertainties arising from the rapid evolution of our markets, competition, market acceptance of our products, our dependence upon spending by the telecommunications industry and our ability to develop and protect new technologies. For a description of other factors which might affect our actual results, please see the "Risk Factors" section and other disclosures in InfoVista's public filings with the French Autorité des Marchés Financiers. Readers of this news release are cautioned not to put undue reliance on any forward-looking statement. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

**INFOVISTA**  
**CONSOLIDATED INCOME STATEMENTS**

(In thousands, except for share and per share data)

The table presented below represents the consolidated income statements in accordance with IFRS

	For the twelve months ended		For the three months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	(unaudited)		(unaudited)	
<b>Revenues</b>				
License revenues	€ 20,614	€ 22,377	€ 4,886	€ 5,003
Service revenues	24,570	22,537	6,648	6,113
<b>Total</b>	<b>45,184</b>	<b>44,914</b>	<b>11,534</b>	<b>11,116</b>
<b>Cost of revenues</b>				
Cost of licenses	1,058	1,025	245	233
Cost of services	9,040	8,271	2,197	2,076
<b>Total</b>	<b>10,098</b>	<b>9,296</b>	<b>2,442</b>	<b>2,309</b>
<b>Gross profit</b>	<b>35,086</b>	<b>35,618</b>	<b>9,092</b>	<b>8,807</b>
<b>Operating expenses</b>				
Sales and marketing expenses	15,560	17,495	3,835	4,476
Research and development expenses	9,723	10,581	2,344	2,791
General and administrative expenses	5,717	6,439	1,383	1,422
Restructuring costs	1,534	-	-	-
Amortization of acquired intangible assets	458	267	114	114
<b>Total</b>	<b>32,992</b>	<b>34,782</b>	<b>7,676</b>	<b>8,803</b>
<b>Operating profit</b>	<b>2,094</b>	<b>836</b>	<b>1,416</b>	<b>4</b>
Financial revenues	666	757	149	157
Financial costs	(53)	(3,318)	(18)	(10)
Net foreign currency transaction losses	(144)	(326)	(161)	(73)
<b>Financial profit (loss)</b>	<b>469</b>	<b>(2,887)</b>	<b>(30)</b>	<b>74</b>
<b>Profit before income taxes</b>	<b>2,563</b>	<b>(2,051)</b>	<b>1,386</b>	<b>78</b>
Income tax (expense) profit	(320)	710	(189)	607
<b>Profit (loss)</b>	<b>€ 2,243</b>	<b>€ (1,341)</b>	<b>€ 1,197</b>	<b>€ 685</b>
Basic profit (loss) per share	€ 0.13	€ (0.07)	€ 0.07	€ 0.04
Diluted profit (loss) per share	€ 0.13	€ (0.07)	€ 0.07	€ 0.04
Basic weighted average shares outstanding	17,679,138	18,602,081	17,459,469	18,432,133
Diluted weighted average shares outstanding	17,706,846	18,602,081	17,493,776	18,455,725

**INFOVISTA**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands)

The table presented below represents the consolidated balance sheets in accordance with IFRS

	As of	
	June 30, 2009 (unaudited)	June 30, 2008
<b>ASSETS</b>		
Goodwill	€ 9,268	€ 9,268
Other intangible assets, net	1,942	2,660
Tangible assets, net	1,332	1,689
Other non-current assets	866	680
<b>Total non-current assets</b>	<b>13,408</b>	<b>14,297</b>
Accounts receivables, net	8,357	11,993
Other current assets	1,376	1,641
Financial assets	-	4,173
Cash and cash equivalents	28,644	17,751
<b>Total current assets</b>	<b>38,377</b>	<b>35,558</b>
<b>Total assets</b>	<b>€ 51,785</b>	<b>€ 49,855</b>
<b>EQUITY</b>		
Issued capital	€ 9,724	€ 10,449
Share premium	79,215	82,562
Treasury shares	(1,075)	(3,525)
Currency translation differences	(1,620)	(1,997)
Accumulated deficit	(50,384)	(52,627)
<b>Total equity</b>	<b>35,860</b>	<b>34,862</b>
<b>LIABILITIES</b>		
Deferred revenues - non-current	320	461
Other non-current liabilities	223	232
<b>Total non-current liabilities</b>	<b>543</b>	<b>693</b>
Accounts payables	1,592	2,144
Accrued salaries and commissions	2,244	2,036
Accrued social security and payroll taxes	1,256	1,923
Accrued VAT	410	432
Deferred revenues - current	8,843	7,591
Other current liabilities	1,037	174
<b>Total current liabilities</b>	<b>15,382</b>	<b>14,300</b>
<b>Total liabilities and equity</b>	<b>€ 51,785</b>	<b>€ 49,855</b>