



**FOR IMMEDIATE RELEASE**

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**INFOVISTA REPORTS SECOND QUARTER FY10 RESULTS**

- **Resilient performance in tough market conditions**
- **Robust cost control protects net margin**
- **Productivity improvements across the board**

**Paris, France – February 4, 2010 – InfoVista** (Euronext: IFV, ISIN: FR0004031649), the leading provider of Service Performance Assurance solutions, today announced financial results for the quarter and semi-annual period ended December 31, 2009.

Total revenues for the quarter were €10.7 million, compared to €11.7 million in the comparable quarter last year. Operating profit was €0.6 million for the second quarter of fiscal 2010, as compared to €0.7 million for the same period last year. InfoVista posted a net profit for the second quarter of €0.5 million, versus €0.9 million in the comparable quarter last year.

Commenting on the Company's performance, Philippe Ozanian, Chief Executive Officer, said: "Our results, amid tough market conditions, underscore the agility and robustness of our business model. In the first half of the fiscal year, our top line held up well, with a drop of just 3% against normalized revenues in the same period last year, while we slashed our operating costs by 11%. As normalized from the €1.9 million contribution from Microsoft last year, our bottom line shows a significant improvement. These results demonstrate that InfoVista is now solidly anchored in a profitable model." Mr. Ozanian added: "Going forward, we are seeing early but clear signs of improvement, largely driven by momentum generated by our various product innovation announcements. We expect to benefit from continued growth in emerging countries, while conditions in our mature markets have now stabilized; I am therefore pleased to reaffirm our fiscal year-end objective of 5% normalized top-line growth and 5% bottom-line margin."

**Financial Highlights**

**Revenues by Region**

<i>In thousands</i>							<b>H1 2009</b>	
	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>% change</b>	<b>H1 2010</b>	<b>H1 2009</b>	<b>% change</b>	<b>normalized (excl. MSFT)</b>	<b>% change</b>
EMEA	€5,852	€7,369	-21%	€11,623	€12,775	-9%	€12,775	-9%
Americas	2,641	2,722	-3%	5,240	7,316	-28%	5,394	-3%
Asia-Pacific	2,158	1,641	+32%	3,366	2,635	+28%	2,635	+28%
<b>Total</b>	<b>€10,651</b>	<b>€11,732</b>	<b>-9%</b>	<b>€20,229</b>	<b>€22,726</b>	<b>-11%</b>	<b>€20,804</b>	<b>-3%</b>

## Q2 Revenue Drivers:

- Though market conditions in the EMEA region remained under some pressure, trends are improving. During the quarter, total revenues were helped by a strong service performance, especially in regards to maintenance. Elsewhere, emerging market orders continue to grow, although as a result of contractual conditions some orders are not expected to be recognized until the last quarter of InfoVista's fiscal year.
- In the Americas, a weaker US dollar against the Euro negatively impacted total revenues. On a constant dollar basis, revenues in the region would have increased by 7% during the second quarter, as compared to the same period last year.
- InfoVista continued to see strong year-on-year revenue growth in the Asia-Pacific region during the second quarter, as revenues jumped by 32% to €2.2 million compared to €1.6 million for the same quarter the previous year.
- In the second quarter, InfoVista derived from direct and indirect sales channels 66% and 34% of total revenues, respectively, while the service provider and enterprise markets generated 66% and 34% of total revenues for the quarter, respectively.

## Gross margin

- Gross margin in the second quarter remained stable at 77%, as compared to the same period last year. This performance demonstrates a significant year-on-year improvement of service gross margin reflecting solid maintenance contract renewals with increased productivity.

## Operating Expenses

*In thousands*

	Q2 2010	Q2 2009	% change	H1 2010	H1 2009	% change
Sales & Marketing	€3,707	€4,295	-14%	€7,138	€8,112	-12%
Research & Development	2,406	2,465	-2%	4,711	5,230	-10%
General & Administrative	1,407	1,449	-3%	2,718	2,913	-7%
<b>Total</b>	<b>€7,520</b>	<b>€8,209</b>	<b>-8%</b>	<b>€14,567</b>	<b>€16,255</b>	<b>-10%</b>

- Sales & marketing costs represented 35% of total revenues for the second quarter, compared to 37% in last year's second quarter. This productivity improvement was achieved through a cost reduction of 14% against the second quarter of last year.
- Research & development costs represented 23% of total revenues, still above InfoVista's corporate objective despite a decrease in absolute value. Excluding R&D tax credits that were exceptionally high last year, R&D costs were down 9% in the second quarter.
- General & administrative costs represented €1.4 million or 13% of total revenues for the second quarter, and continue to decline as compared to last year.
- As at December 31, 2009, InfoVista had 228 employees.

## Balance Sheet

- Days Sales Outstanding (DSO) stood at 78 days for the second quarter, as compared to 73 days in the comparable quarter last year.
- As at December 31, 2009, the Company's cash, cash equivalent and short-term deposits amounted to €23.5 million, as compared to €26.0 million at the end of the prior quarter and €28.6 million at June 30, 2009. The €2.5 million decline in the quarter resulted from €1.3 million of share-buyback activities, along with a seasonal impact from the annual maintenance business and slower collections, notably in emerging countries. As an important number of annual maintenance contracts shall be paid in the second half of this fiscal year, cash from operations should be significantly positive.
- As at December 31, 2009, InfoVista had a total of 18,009,904 and 16,871,206 shares issued and outstanding, respectively. InfoVista increased its treasury shares by 439,798 shares during the quarter, which represented 2% of the issued capital at the beginning of the second quarter.

## Key initiatives/Technical Developments:

- InfoVista has accelerated its relationship with Cisco by releasing products that leverage Cisco's technologies.
  - Cisco's NAM integration (Network Analysis Module). Data centers consolidation and bandwidth intensive applications are creating a new demand for WAN Optimization. To keep up with this new demand, Service Providers (SP) are launching managed WAN Optimization services and offer SLAs to assure the application response time. We partnered together to launch a solution specifically designed for the SP's needs, leveraging the Cisco's NAM technology.
  - Cisco's ANA integration (Active Network Abstraction). Cisco ANA is a vendor-neutral device management for Service Provider network environment. By adding a performance management module to its ANA solution, Cisco will target more effectively the fast growing Mobile Backhaul/IP-RAN market.
- The growth in both revenues and traffic for Mobile operators is attributed to the wide adoption of data services. To help Mobile operators take advantage of the mobile data explosion, InfoVista has enriched its product portfolio that now includes:
  - VistaInsight for Networks 4.0 & VistaLink for Alcatel-Lucent SAM 3.1 - Performance Assurance and SLA reporting solutions for Mobile Backhaul
  - Mobile Knowledge Pack 2.0 – extending our coverage for Nokia Siemens Network and Huawei for Mobile Packet Core devices.
  - Mobile IP appliances – Using our Deep Packet Inspection expertise, this product allows Service Providers to measure and assure customer experience for each user data session.
- Vista360 is an innovative approach to service performance assurance by providing a 360 degree vision to all the network, server and application performance data. Released this past December, Vista360 enables our customers to keep a constant watch on all the critical data with the ability to prevent or resolve any service performance degradation.

### **Conference call**

InfoVista will host an investor conference call on Thursday, February 4, 2010 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 84 in France, +44 (0)20 7138 0843 in the UK, or +1 212 444 0896 in North America and in each case followed by access code 4054800. A replay will be available shortly after the end of the call at the following numbers: France: +33 (0)1 74 20 28 00 UK: +44 (0)20 7111 1244 North America: +1 347 366 9565 – all with access code 4054800#.

### **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 six months ended		For the three months ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenues</b>				
License revenues	€ 6,709	€ 10,600	€ 3,588	€ 5,288
Service revenues	13,520	12,126	7,063	6,444
<b>Total</b>	<b>20,229</b>	<b>22,726</b>	<b>10,651</b>	<b>11,732</b>
<b>Cost of revenues</b>				
Cost of licenses	500	542	338	276
Cost of services	4,245	4,526	2,120	2,389
<b>Total</b>	<b>4,745</b>	<b>5,068</b>	<b>2,458</b>	<b>2,665</b>
<b>Gross profit</b>	<b>15,484</b>	<b>17,658</b>	<b>8,193</b>	<b>9,067</b>
<b>Operating expenses</b>				
Sales and marketing expenses	7,138	8,112	3,707	4,295
Research and development expenses	4,711	5,230	2,406	2,465
General and administrative expenses	2,718	2,913	1,407	1,449
Amortization of acquired intangible assets	229	229	114	114
<b>Total</b>	<b>14,796</b>	<b>16,484</b>	<b>7,634</b>	<b>8,323</b>
<b>Operating profit</b>	<b>688</b>	<b>1,174</b>	<b>559</b>	<b>744</b>
Financial revenues	113	408	55	257
Financial costs	(13)	(21)	(8)	(14)
Net foreign currency transaction losses	(97)	(47)	(87)	(42)
<b>Financial profit (loss)</b>	<b>3</b>	<b>340</b>	<b>(40)</b>	<b>201</b>
<b>Profit before income taxes</b>	<b>691</b>	<b>1,514</b>	<b>519</b>	<b>945</b>
Income tax expense	(92)	(100)	(5)	(39)
<b>Profit</b>	<b>€ 599</b>	<b>€ 1,414</b>	<b>€ 514</b>	<b>€ 906</b>
Basic profit per share	€ 0.03	€ 0.08	€ 0.03	€ 0.05
Diluted profit per share	€ 0.03	€ 0.08	€ 0.03	€ 0.05
Basic weighted average shares outstanding	17,238,559	17,897,093	17,089,818	17,689,448
Diluted weighted average shares outstanding	17,359,099	17,923,220	17,243,985	17,716,334

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

(In thousands)

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

	As of	
	December 31, 2009 (unaudited)	June 30, 2009
<b>ASSETS</b>		
Goodwill	€ 9,268	€ 9,268
Other intangible assets, net	1,634	1,942
Tangible assets, net	1,288	1,332
Other non-current assets	558	866
<b>Total non-current assets</b>	<b>12,748</b>	<b>13,408</b>
Accounts receivables, net	9,200	8,357
Other current assets	1,988	1,376
Short term deposits	13,070	-
Cash and cash equivalents	10,461	28,644
<b>Total current assets</b>	<b>34 719</b>	<b>38 377</b>
<b>Total assets</b>	<b>€ 47,467</b>	<b>€ 51,785</b>
<b>EQUITY</b>		
Issued capital	€ 9,725	€ 9,724
Share premium	79,735	79,215
Treasury shares	(2,962)	(1,075)
Currency translation differences	(1,634)	(1,620)
Accumulated deficit	(49,785)	(50,384)
<b>Total equity</b>	<b>35,079</b>	<b>35,860</b>
<b>LIABILITIES</b>		
Deferred revenues - non-current	237	320
Other non-current liabilities	231	223
<b>Total non-current liabilities</b>	<b>468</b>	<b>543</b>
Accounts payables	2,065	1,592
Accrued salaries and commissions	1,891	2,244
Accrued social security and payroll taxes	1,816	1,256
Accrued VAT	347	410
Deferred revenues - current	5,144	8,843
Other current liabilities	657	1,037
<b>Total current liabilities</b>	<b>11,920</b>	<b>15,382</b>
<b>Total liabilities and equity</b>	<b>€ 47,467</b>	<b>€ 51,785</b>