

## InfoVista Reports Good Start to FY2011 With Strong First Quarter Performance

PARIS--([BUSINESS WIRE](#))-- InfoVista (Euronext: IFV) (ISIN: FR0004031649):

- **31% YoY Software product revenue growth**
- **Continued operating margin progression**
- **New End to End Mobile performance assurance launched to address additional market share**

**InfoVista** (Euronext: IFV) (ISIN: FR0004031649), the leading provider of Service Performance Assurance solutions, today announced financial results for the first quarter, ended September 30, 2010.

Total revenues for the quarter were €10.9 million, compared to €9.6 million in the first quarter last year. Operating income was €0.4 million or 4% in the first quarter, while net income reached €0.3 million.

“Our first quarter results represent a strong start to our new fiscal year. With 31% software product revenue growth, the momentum that we saw building at the end of the past fiscal year has continued into our fiscal year 2011. This demonstrates that InfoVista’s solutions are critical to control data traffic performance in today’s world where data consumption is overwhelming all types of IP networks,” said Philippe Ozanian, CEO of InfoVista. “We will continue to further leverage that trend with our innovative suite of solutions that now includes End to End Mobile performance assurance, covering from the data centre to the radio access network equipment.”

### Revenues by Region

| <i>In thousands</i> | <u>Q1 FY11</u> | <u>Q1 FY10</u> | <u>% Change</u> |
|---------------------|----------------|----------------|-----------------|
| EMEA                | €5,581         | €5,771         | -3%             |
| Americas            | 3,813          | 2,599          | 47%             |
| Asia-Pacific        | 1,490          | 1,208          | 23%             |
| <b>Total</b>        | <b>€10,884</b> | <b>€9,578</b>  | <b>14%</b>      |

- EMEA repeat orders from customers in South Africa and Spain sustained business for the quarter. In the Americas, business with a top US bank boosted revenues for the first quarter, while the Asia Pacific region continued to benefit from growth with service providers in this emerging market.
- In the first quarter, InfoVista derived 39% of total revenues from its indirect sales channel. The service provider market generated 67% of total revenues for the quarter.

## Operating Expenses

| <i>In thousands</i>      | <b>Q1 FY11 %</b> |                 | <b>Q1 FY10 %</b> |                 |
|--------------------------|------------------|-----------------|------------------|-----------------|
|                          |                  | <b>revenues</b> |                  | <b>revenues</b> |
| Sales & Marketing        | €4,039           | 37%             | €3,431           | 36%             |
| Research & Development   | 2,334            | 21%             | 2,306            | 24%             |
| General & Administrative | 1,312            | 12%             | 1,311            | 14%             |
| <b>Total</b>             | <b>€7,685</b>    |                 | <b>€7,048</b>    |                 |

- Sales & marketing costs increased from higher personnel costs linked to software revenue growth. Research & development costs along with general & administrative costs remained unchanged.
- As at September 30, 2010, InfoVista had 229 employees.

## Balance Sheet

- Days Sales Outstanding (DSO) stood at 111 days for the first quarter, as compared to 80 days in the comparable quarter last year. This DSO increase is mainly due to a high volume of multi-year maintenance contracts invoiced and unpaid during the quarter along with a delay in collections. Receivables still remain clean with no significant bad debt over the past years.
- As at September 30, 2010, the Company's cash, cash equivalent and short-term deposits amounted to €24.9 million, as compared to €25.8 million at June 30, 2010. For the quarter, €0.3 million of cash was used to buy back 88 thousand treasury shares.
- As at September 30, 2010, InfoVista had a total of 18,023,604 and 16,472,838 shares issued and outstanding, respectively.

## Recent Developments

Earlier this month, InfoVista announced the release Mobile Knowledge Pack 3.0 that will enable the Company to address additional market share and increase revenue in this growing space. This new comprehensive version allows for real-time monitoring and reporting of every infrastructure entity along the service delivery path—from the data center and mobile packet core, to the IP/MPLS backbone and the backhaul, and extending support to radio access network (RAN) equipment. With this offer InfoVista is now the only solution on the market that delivers an end-to-end view of network and application performance and subscriber experience across all domains from a single platform.

## Conference call

InfoVista will host an investor conference call on October 28, 2010 at 9:00 a.m. (EDT) / 2:00 p.m. (UK) / 3:00 p.m. (Continental Europe). The call will be available by dialing France +33 (0)1 70 99 42 84 North America +1 212 444 0895 and +44 (0)20 7138 0844 in the UK. In each case followed by access code 5557648. 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 5557648#.

## **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, KPN International, Microsoft, SFR, SingTel, T-Mobile, Telefonica, Telstra, and Wells Fargo. 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 statement in accordance with IFRS

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**For the three months ended  
September 30,**

|  | <b>2010</b><br>(unaudited) | <b>2009</b><br>(unaudited) |
|--|----------------------------|----------------------------|
| <b>Revenues</b>                            |                            |                            |
| Software products                          | € 4,090                    | € 3,121                    |
| Maintenance Services                       | 5,480                      | 5,166                      |
| Professional Services                      | 1,314                      | 1,291                      |
| <b>Total</b>                               | <b>10,884</b>              | <b>9,578</b>               |
| <b>Cost of revenues</b>                    |                            |                            |
| Cost of software products                  | 357                        | 162                        |
| Cost of services                           | 2,285                      | 2,125                      |
| <b>Total</b>                               | <b>2,642</b>               | <b>2,287</b>               |
| <b>Gross profit</b>                        | <b>8,242</b>               | <b>7,291</b>               |
| <b>Operating expenses</b>                  |                            |                            |
| Sales and marketing expenses               | 4,039                      | 3,431                      |
| Research and development expenses          | 2,334                      | 2,307                      |
| General and administrative expenses        | 1,312                      | 1,311                      |
| Amortization of acquired intangible assets | 114                        | 114                        |
| <b>Total</b>                               | <b>7,799</b>               | <b>7,163</b>               |
| <b>Operating profit</b>                    | <b>443</b>                 | <b>128</b>                 |
| Financial revenues                         | 38                         | 58                         |
| Financial costs                            | (9)                        | (4)                        |
| Net foreign currency transaction losses    | (95)                       | (10)                       |
| <b>Net financial (loss) profit</b>         | <b>(66)</b>                | <b>44</b>                  |
| <b>Profit before income taxes</b>          | <b>377</b>                 | <b>172</b>                 |
| Income tax expense                         | (120)                      | (87)                       |
| <b>Net profit</b>                          | <b>€ 257</b>               | <b>€ 85</b>                |
| Basic profit per share                     | € 0.02                     | -                          |
| Diluted profit per share                   | € 0.02                     | -                          |

|   |            |            |
|---|------------|------------|
| Basic weighted average shares outstanding   | 16,512,643 | 17,397,301 |
| Diluted weighted average shares outstanding | 16,719,141 | 17,480,458 |

## INFOVISTA

### CONSOLIDATED BALANCE SHEETS

(In thousands)

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

|                                 | As of                 |                  |
|---------------------------------|-----------------------|------------------|
|                                 | September 30,<br>2010 | June 30,<br>2010 |
|                                 | (unaudited)           |                  |
| <b>ASSETS</b>                   |                       |                  |
| Goodwill                        | € 9,268               | € 9,268          |
| Other intangible assets, net    | 1,211                 | 1,379            |
| Tangible assets, net            | 1,157                 | 1,202            |
| Deferred tax asset              | 898                   | 894              |
| Other non-current assets        | 600                   | 619              |
| <b>Total non-current assets</b> | <b>13,134</b>         | <b>13,362</b>    |
| Accounts receivables, net       | 13,432                | 13,207           |
| Other current assets            | 2,581                 | 2,071            |
| Financial assets - current      | 10,538                | 11,538           |
| Cash and cash equivalents       | 14,390                | 14,215           |
| <b>Total current assets</b>     | <b>40,941</b>         | <b>41,031</b>    |
| <b>Total assets</b>             | <b>€ 54,075</b>       | <b>€ 54,393</b>  |
| <b>EQUITY</b>                   |                       |                  |
| Issued capital                  | € 9,733               | € 9,728          |

|                                  |               |                      |
|----------------------------------|---------------|----------------------|
| Share premium                    | 80,192        | 80,086               |
| Treasury shares                  | (4,557)       | (4,164)              |
| Currency translation differences | (1,294)       | (1,168)              |
| Accumulated deficit              | (47,700)      | <u>(47,957)</u>      |
| <b>Total equity</b>              | <b>36,374</b> | <b><u>36,525</u></b> |

#### **LIABILITIES**

|                                      |              |                   |
|--------------------------------------|--------------|-------------------|
| Deferred revenues - non-current      | 1,384        | 262               |
| Other non-current liabilities        | 218          | <u>270</u>        |
| <b>Total non-current liabilities</b> | <b>1,602</b> | <b><u>532</u></b> |

|   |               |                      |
|---|---------------|----------------------|
| Accounts payables                         | 3,489         | 2,904                |
| Accrued salaries and commissions          | 1,545         | 2,820                |
| Accrued social security and payroll taxes | 1,834         | 1,932                |
| Deferred revenues - current               | 8,396         | 8,716                |
| Other current liabilities                 | 835           | <u>964</u>           |
| <b>Total current liabilities</b>          | <b>16,099</b> | <b><u>17,336</u></b> |

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| <b>Total liabilities and equity</b> | <b>€ 54,075</b> | <b>€ 54,393</b> |
|-------------------------------------|-----------------|-----------------|

#### **Contacts**

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