

FOR IMMEDIATE RELEASE

**SANDVINE REPORTS ANNUAL REVENUE OF \$73.7 MILLION
AND DILUTED EARNINGS PER SHARE OF \$0.139**

Fourth quarter results include \$17.1 million in revenue, break-even EPS

Waterloo, Ontario, January 16, 2008 – Sandvine (TSX:SVC; AIM:SAND), a leading provider of intelligent broadband network solutions for DSL, FTTH, cable, and wireless carriers grew revenue by 133% to \$73.7 million for the fiscal year ended November 30, 2007, compared to \$31.7 million for fiscal 2006. All amounts are in Canadian dollars unless otherwise specified.

FINANCIAL HIGHLIGHTS

Millions of dollars, except per share data and where otherwise indicated

	Q4 2007	Q4 2006	Q3 2007	FY 2007	FY 2006
Revenue	17.1	9.2	21.2	73.7	31.7
Gross Margin percent	73%	71%	74%	77%	73%
Operating Expenses	14.0	6.9	12.3	43.1	24.8
Stock-based Compensation, Non-cash Acquisition-Related Charges Included in Operating Expenses	1.0	0.2	0.7	2.1	0.3
Net Income (Loss)	0.1	0.1	2.7	19.0	(0.4)
Diluted Earnings (Loss) Per Share	0.000	0.001	0.020	0.139	(0.004)

Net income for fiscal 2007 grew to \$19.0 million (\$0.139 per diluted share) from a net loss of \$0.4 million (\$0.004 per diluted share) in fiscal 2006. Included in net income was \$2.1 million attributable to non-cash, acquisition-related expenses and stock-based compensation (FY 2006: \$0.3 million attributable to non-cash stock-based compensation).

“Heading into 2007, we expected revenue in the range of fifty to sixty million dollars and stated that we would focus on making the right investments for the long-term success of the business. We were pleased to have been able to raise our revenue target twice during the year, make the necessary investments and record a profit for the year,” said Dave Caputo, Sandvine’s President and CEO. “While we expect strong growth in revenues in 2008, we are focused on the long-term opportunity and will continue to invest to remain the market leader.”

Revenue for the fourth quarter of 2007 grew by 85% to \$17.1 million from \$9.2 million for Q4 2006. Sandvine’s fourth quarter net income was consistent with Q4 2006 at \$0.1 million. Included in net income was \$1.0 million attributable to non-cash, acquisition-related expenses and stock-based compensation, compared to \$0.2 million attributable to non-cash stock-based compensation expenses in Q4 2006. Diluted earnings per share was \$0.000 compared to diluted earnings per share of \$0.001 in Q4 2006.

STRATEGIC UPDATE

Sandvine is focused on increasing its market penetration, both in terms of the number of customers and the number of broadband subscribers they represent. The Company now has over 100 customers serving in excess of 50 million broadband subscribers, in over 40 countries worldwide. Fourteen of the top 100 broadband service providers around the world have selected Sandvine's solutions.

Since the last the quarterly results news release, Sandvine has made significant progress on some of its core strategies:

- **Continued investment in sales and marketing** - added 10 new customers in the quarter. Six customers purchased the PTS 14000 for the first time. In total, 26 customers have purchased the PTS 14000 since its launch over a year ago.
- **Increased focus on larger customers** - won two new Tier 1 service providers:
 - a major North American wireless service provider;
 - a national property of a pan-European mobile and DSL operator. The property has over a half-million DSL subscribers and approximately 5 million mobile subscribers.
- **Increased focus on emerging access technologies** - four of the 10 new customers in the quarter were from emerging access markets: three wireless and one FTTH. The other six new customers were split equally between DSL and cable.
- **Continued investment in research and development** - launched three new software applications derived from Sandvine's recent acquisitions: Sandvine Protection Center, Sandvine Search Guide and the Sandvine Service Delivery Engine. Collectively, the solutions help service providers:
 - protect their subscribers from malicious traffic;
 - create new advertising revenue opportunities; and
 - launch new multimedia IP services with guaranteed quality of service network-wide.

OUTLOOK

As reported on December 20, 2007, the Company expects total revenue for fiscal 2008 in the range of \$100 million to \$110 million, based on the following assumptions:

- Approximately 50% of the revenue target will be earned from existing customers;
- Sandvine will earn revenue in fiscal 2008 from four to six new "tier one" service providers (service providers with over one million broadband/mobile data subscribers) from the DSL and wireless markets, combined;
- Sales through channel partners will account for approximately 15% to 20% of revenue;
- The Canadian dollar will be at par with the US dollar for the year.

Management's Discussion and Analysis for the quarter and fiscal 2007 is available at www.sedar.com.

CONFERENCE CALL

The Company will discuss its fiscal year and fourth quarter 2007 results and the business outlook on a conference call at 8:30 a.m. Eastern time (1:30 BST) today. A webcast will be available from the Investor Relations section of Sandvine's site where listeners may also download an accompanying slide presentation (http://www.sandvine.com/about_us/investors.asp).

Local dial-in number	416-644-3414
Toll-free North America	800-733-7571
Toll-free United Kingdom	00-800-2288-3501

A replay of the call will be available at 416-640-1917 or toll-free at 877-289-8525 (passcode 21257145#) from approximately 10:30 a.m. Eastern time today through January 23.

ABOUT SANDVINE

Sandvine's award-winning network equipment helps DSL, FTTH, cable, and wireless broadband service providers characterize what is really happening on their networks, enabling policies that improve customer satisfaction, reduce operational costs and increase profitability. Sandvine's DPI-based policy solutions are both application and subscriber-aware, empowering service providers to better manage network traffic congestion, mitigate the proliferation of malicious traffic, and deliver QoS-prioritized multimedia services. With over 100 customers in more than 40 countries, Sandvine is enhancing the Internet experience for millions of broadband users worldwide. www.sandvine.com.

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CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain statements in this report which are not historical facts constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (“forward-looking statements”) and are made pursuant to the “safe harbour” provisions of such laws. Statements related to Sandvine’s projected revenues, earnings, growth rates, revenue mix and product plans, in particular the statements above under the heading “Outlook”, are forward-looking statements as are any statements relating to future events, conditions or circumstances. The use of terms such as “anticipated”, “expected”, “projected”, “targeting”, “estimate” and similar terms are intended to assist in identification of these forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause the actual results, performance or achievements of Sandvine to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. These risks and uncertainties include, without limitation, each of the following:

- The Company’s revenues may fluctuate from quarter to quarter and year to year depending upon sales cycles and customer demand;
- The Company’s gross margins may fluctuate from period to period depending upon a variety of factors including product mix in the period, competitive pricing pressures and the level of sales generated through indirect channels;
- The Company is dependent upon and has derived a large percentage of its revenue from both a small number of key customers and customers who are predominantly cable based broadband service providers.
- The Company faces intense competition in the markets in which it operates where there are typically several different competing technologies and rapid technological changes;
- The Company’s growth is dependent on the development of the market for intelligent broadband network management solutions and the decisions of the Company’s target customers to deploy and further invest in those technologies;
- The majority of the Company’s expenses are denominated in Canadian dollars while its sales are generally denominated in U.S. dollars. The Company’s earnings are impacted by fluctuations in the exchange rates between these and other currencies in which the Company trades.

Sandvine does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

Additional risks and uncertainties that relate to an investment in the securities of the Company and which can also impact upon forward-looking information which may be contained in this release can be found in the Company’s Annual Information Form and other regulatory filings which are available on SEDAR at www.sedar.com.

Sandvine Corporation

Consolidated Balance Sheets

As at November 30, 2007

(in Canadian dollars, amounts in thousands, except share and per share data) (unaudited)

	2007	2006
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	7,878	19,564
Marketable securities	105,136	37,515
Accounts receivable	10,003	4,421
Inventory	13,874	9,625
Future tax asset	1,075	-
Other	1,637	2,306
	<u>139,603</u>	<u>73,431</u>
Non current assets		
Capital assets	10,137	6,115
Intangible assets	7,300	-
Goodwill	2,425	-
	<u>19,862</u>	<u>6,115</u>
	<u>159,465</u>	<u>79,546</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	6,094	5,591
Current portion of deferred revenue	4,028	700
	<u>10,122</u>	<u>6,291</u>
Non current liabilities		
Deferred revenue	57	88
Future tax liability	374	-
Other	342	-
	<u>773</u>	<u>88</u>
	<u>10,895</u>	<u>6,379</u>
Shareholders' equity		
Share capital	146,568	91,247
Contributed surplus	1,532	403
Accumulated other comprehensive income	69	-
Retained earnings (deficit)	401	(18,483)
	<u>148,570</u>	<u>73,167</u>
	<u>159,465</u>	<u>79,546</u>

Sandvine Corporation

Consolidated Statements of Operations

For the three and twelve month period ended November 30, 2007

(in Canadian dollars, amounts in thousands, except share and per share data) (unaudited)

	Three months ended		Fiscal Year Ended	
	November 30 2007 \$	November 30 2006 \$	November 30 2007 \$	November 30 2006 \$
Revenue				
Product	14,756	8,203	65,127	28,003
Service	2,350	1,043	8,552	3,662
	17,106	9,246	73,679	31,665
Cost of sales				
Product	4,206	2,399	15,261	7,525
Service	364	325	1,455	1,113
	4,570	2,724	16,716	8,638
Gross margin	12,536	6,522	56,963	23,027
Expenses				
Sales and marketing	4,341	2,759	15,103	8,947
Research and development	5,687	2,343	16,941	10,099
General and administrative	2,254	1,112	6,454	3,838
Stock based compensation	560	152	1,329	344
Amortization of intangible assets	400	-	667	-
Depreciation	803	563	2,639	1,587
	14,045	6,929	43,133	24,815
Income (loss) from operations	(1,509)	(407)	13,830	(1,788)
Interest and other income	1,267	554	3,808	1,506
Income (loss) before provision for income taxes	(242)	147	17,638	(282)
Provision for (recovery of) income taxes				
Current	49	31	184	100
Future	(361)	-	(1,508)	-
	(312)	31	(1,324)	100
Net income (loss) for the period	70	116	18,962	(382)
Earnings (loss) per share				
Basic	0.001	0.001	0.148	(0.004)
Diluted	0.000	0.001	0.139	(0.004)
Basic weighted average number of shares outstanding	136,163,010	117,655,735	128,510,680	107,232,201
Diluted weighted average number of shares outstanding	142,470,069	124,065,770	135,973,372	107,232,201

Sandvine Corporation

Consolidated Statements of Cash Flows

For the three and twelve month period ended November 30, 2007

(in Canadian dollars, amounts in thousands, except share and per share data) (unaudited)

	Three months ended		Fiscal Year Ended	
	November 30	November 30	November 30	November 30
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Net income (loss) for the period	70	116	18,962	(382)
Items not affecting cash				
Amortization of intangible assets	400	-	667	-
Depreciation	803	563	2,639	1,587
Foreign exchange (gain) loss	66	(69)	66	88
Stock-based compensation	560	152	1,329	344
Non-cash compensation expense	79	-	137	-
Provision for (recovery of) future income taxes	(361)	-	(1,508)	-
Loss on disposal of capital assets	-	-	52	28
	1,617	762	22,344	1,665
Changes in non-current balances	(7)	29	(15)	78
Changes in non-cash working capital balances	(3,750)	(2,891)	(6,212)	(3,217)
	(2,140)	(2,100)	16,117	(1,474)
Investing activities				
Purchase of capital assets	(1,386)	(1,592)	(6,656)	(4,857)
Government assistance applied against capital assets	-	110	-	110
Business acquisitions, net of cash acquired	-	-	(5,030)	-
Purchase of marketable securities	-	(28,692)	(311,043)	(72,423)
Sale of marketable securities	-	25,542	243,490	37,531
	(1,386)	(4,632)	(79,239)	(39,639)
Financing activity				
Proceeds from the issuance of share capital	611	13,485	51,436	50,922
	611	13,485	51,436	50,922
Net increase in cash during period	(2,915)	6,753	(11,686)	9,809
Cash and cash equivalents – Beginning of period	10,793	12,811	19,564	9,755
Cash and cash equivalents – End of period	7,878	19,564	7,878	19,564