

SANDVINE REPORTS Q1 2009 RESULTS

Waterloo, Canada; April 9, 2009 – Sandvine Corporation, (TSX:SVC; AIM:SAND) a leading provider of intelligent broadband network solutions for DSL, cable, FTTx, fixed wireless and mobile operators, today reported first quarter fiscal 2009 revenue of \$18.6 million, which is 124% higher than the same quarter last year and even with Q4 2008 revenue.

First quarter 2009 net loss was \$4.8 million, or \$0.035 per diluted share. On a non-GAAP¹ basis, which excludes certain non-cash items including the impact of a \$2.4 million goodwill impairment charge, the Company's net loss was \$1.2 million, or \$0.009 per diluted share. A reconciliation of GAAP to non-GAAP¹ results is included as Table 1. The Company's cash and marketable securities at February 28, 2009 totaled \$92.6 million, unchanged from the level at November 30, 2008.

Sandvine won nine new service provider customers in the first quarter, including three of the top 100 largest wireless service providers in the world, and realized record revenues from the wireless market. Revenue from the cable market was at its highest level in more than a year.

“This was a good quarter for Sandvine which included record first quarter revenues. Our momentum in the wireless and DSL markets continued, and, after a tough 2008, the cable market has once again shown some strength. We maintained healthy revenue and cash levels and continued to diversify our business,” said Dave Caputo, Sandvine's president and chief executive officer.

FINANCIAL HIGHLIGHTS (All amounts are in Canadian dollars)

<i>Millions of dollars, except per share data and where otherwise indicated</i>	Q1 2009	Q1 2008	Change	Q4 2008	Change
Revenue	18.6	8.3	124%	18.6	-
Gross Margin percent	76%	75%	1 pp	82%	-6 pp
R&D, SG&A	14.3	12.4	15%	14.8	-4%
Net Loss	(4.8)	(7.0)		(1.8)	
Non-GAAP ¹ Loss	(1.2)	(5.9)		(0.1)	
Diluted Loss Per Share	(0.035)	(0.051)		(0.013)	
Non-GAAP ¹ Diluted Loss Per Share	(0.009)	(0.043)		(0.000)	

STRATEGIC UPDATE and OUTLOOK

Sandvine is focused on growing its service provider customer base and the number of broadband subscribers they represent. The Company has over 150 service provider customers in over 60 countries serving more than 80 million fixed line broadband subscribers and a rapidly growing number of mobile data subscribers.

In the first quarter Sandvine won nine new customers.

- *By access technology:* four mobile data operators, two DSL service providers, two cable companies and one FTTx service provider.
- *By geography:* five from EMEA, two from North America, and one each from Asia Pacific and Caribbean and Latin America. Sandvine made initial sales to customers in 3 new countries.

- *Large customers*: initial orders from two fixed line broadband service providers, each with over one million broadband subscribers and three new wireless customers that are in the Top 100 worldwide, by voice subscriber count.
- *Sales channel*: six customers were won through reseller partners, including three that were won through our relationships with global network equipment vendors.

CONFERENCE CALL

A copy of the results will be available from the Investor Relations section of Sandvine's website. The Company will discuss the results and business outlook on a conference call at 8:30 a.m. Eastern time (1:30 BST) today. A webcast will also be available from the Investor Relations section of Sandvine's website.

Date	April 9, 2009
Time	8:30 a.m. Eastern (1:30 BST)
Local dial-in number	416 644 3414
Toll-free North America	800 733 7560
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 21301114#) from approximately 10:30 a.m. Eastern time on the day of the call through April 16.

ABOUT SANDVINE

Sandvine is focused on protecting and improving the quality of experience on the Internet. Our award-winning network equipment and solutions help cable, DSL, FTTx, fixed wireless and mobile operators better serve their subscribers and understand network trends; offer new services; mitigate malicious traffic; manage network congestion; and deliver QoS-prioritized multimedia services. With customers in over 60 countries serving over a hundred million broadband and wireless subscribers, Sandvine is enhancing the Internet experience worldwide. www.sandvine.com

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CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain statements in this press release which are not historical facts constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Statements related to Sandvine's projected revenues, earnings, growth rates, revenue mix and product plans are forward looking statements as are any statements relating to future events, conditions or circumstances. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" 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, achievements or developments of the Company to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions,

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

Many factors could cause the actual results of the Company to differ materially from the results, performance, achievements or developments expressed or implied by such forward-looking statements, including, without limitation, each of the following factors, and those factors which are further discussed in the Company's Annual Information Form ("AIF"), a copy of which is available on SEDAR at www.sedar.com.

- The Company's revenues may fluctuate from quarter to quarter and year to year depending upon sales cycles, customer demand and the timing of customer purchase decisions;
- The Company's gross margins may fluctuate from period to period depending upon a variety of factors including product mix in the quarter, competitive pricing pressures and the level of sales generated through indirect channels;
- The Company is dependent upon and expects to continue to derive a large percentage of its revenue from both a small number of key customers and key reseller partners, none of whom are bound to any fixed purchase commitment or exclusivity obligations;
- The Company faces intense competition in markets 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, which decisions may be impacted upon by changing requirements in the area of broadband network management policies and/or changes in the regulatory framework to which the Company's customers may be subject;
- Overall economic conditions and the availability of credit may negatively impact the Company's customers and suppliers.
- The majority of the Company's operating expenses are denominated in Canadian dollars, U.S. dollars and New Israeli Shekels while its revenues and cost of 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;
- The introduction and sale of new products by the Company may impact the timing of revenue recognition which could raise greater revenue fluctuations from quarter to quarter than has been experienced historically.

Table 1

1. Non-GAAP Financial Measures

The following table provides a reconciliation of non-GAAP net income (loss) and related per share amounts to GAAP net income (loss) and the related per share amounts for the period indicated. These non-GAAP financial measures which are used internally by management to evaluate the Company's ongoing performance exclude the impact of stock based compensation, amortization of intangible assets acquired through business acquisitions and goodwill impairment expenses (collectively referred to as "Excluded Expenses"). The Company provides these non-GAAP financial measures as it is the Company's view that the Excluded Expenses are either (i) not part of its normal day-to-day operations and/or (ii) represent a "non-cash" accounting charge that does not deplete its cash resources. Accordingly, the Company believes that such financial measures may also be useful to investors in enhancing their understanding of the Company's operating performance. Non-GAAP net income (loss) is not recognized under Canadian GAAP and does not have a standardized meaning prescribed by Canadian GAAP. Therefore it is unlikely to be comparable to similarly titled measures reported by other issuers. Non-GAAP financial measures should be considered in the context of the Company's GAAP results.

	Three month period ended	
	February 28, 2009	February 29, 2008
	\$	\$
	<i>Amounts in thousands</i>	
Net loss	(4,795)	(6,977)
Stock based compensation expense	816	703
Amortization of intangible assets	400	400
Goodwill impairment	2,425	-
Net loss excluding the impact of the items specified above	(1,154)	(5,874)

	Three month period ended	
	February 28, 2009	February 29, 2008
Basic and diluted loss per share	(0.035)	(0.051)
Impact on basic and diluted earnings per share of Excluded Expenses	0.026	0.008
Basic and diluted loss per share excluding the impact of Excluded Expenses	(0.009)	(0.043)

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Sandvine Corporation

Consolidated Balance Sheets

As at February 28, 2009

(in Canadian dollars, amounts in thousands) (unaudited)

	February 28 2009	November 30 2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	9,498	3,872
Marketable securities	83,104	88,676
Accounts receivable	14,540	19,202
Inventory	15,135	14,960
Other	1,815	1,513
	<u>124,092</u>	<u>128,223</u>
Non current assets		
Plant and equipment	14,249	12,595
Intangible assets	6,311	6,809
Goodwill	-	2,425
	<u>20,560</u>	<u>21,829</u>
	<u>144,652</u>	<u>150,052</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	7,396	8,941
Current portion of deferred revenue	8,987	8,951
	<u>16,383</u>	<u>17,892</u>
Non current liabilities		
Deferred revenue	250	186
Future tax liability	264	196
	<u>514</u>	<u>382</u>
	<u>16,897</u>	<u>18,274</u>
Shareholders' equity		
Share capital	146,479	145,103
Contributed surplus	5,048	5,608
Accumulated other comprehensive income	2	46
Deficit	<u>(23,774)</u>	<u>(18,979)</u>
	<u>127,755</u>	<u>131,778</u>
	<u>144,652</u>	<u>150,052</u>

Sandvine Corporation

Consolidated Statements of Operations

For the three month period ended February 28, 2009

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

	February 28 2009 \$	February 29 2008 \$
Revenue		
Product	14,864	4,759
Service	3,713	3,529
	<u>18,577</u>	<u>8,288</u>
Cost of sales		
Product	3,782	1,491
Service	757	573
	<u>4,539</u>	<u>2,064</u>
Gross margin	<u>14,038</u>	<u>6,224</u>
Expenses		
Sales and marketing	5,251	3,982
Research and development	7,098	6,139
General and administrative	1,912	2,324
Stock based compensation	816	703
Amortization of intangible assets	498	524
Depreciation	1,050	687
Goodwill impairment	2,425	-
	<u>19,050</u>	<u>14,359</u>
Loss from operations	<u>(5,012)</u>	<u>(8,135)</u>
Interest and other income	332	1,178
Loss before provision for income taxes	<u>(4,680)</u>	<u>(6,957)</u>
Provision for income taxes		
Current	47	20
Future	68	-
	<u>115</u>	<u>20</u>
Net loss for the period	<u>(4,795)</u>	<u>(6,977)</u>
Loss per share		
Basic and diluted	(0.035)	(0.051)
Basic and diluted weighted average number of shares outstanding	<u>135,553,729</u>	<u>136,849,460</u>

Sandvine Corporation

Consolidated Statements of Cash Flows

For the three month period ended February 28, 2009

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

	February 28 2009 \$	February 29 2008 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(4,795)	(6,977)
Items not affecting cash		
Amortization of intangible assets	498	524
Depreciation	1,091	697
Foreign exchange (gain) loss	(45)	73
Stock-based compensation	816	703
Goodwill impairment	2,425	-
Future income tax provision	68	-
Other	-	(328)
	58	(5,308)
Changes in non-current balances	64	(26)
Changes in non-cash working capital balances	2,720	244
	2,842	(5,090)
Investing activities		
Purchase of plant and equipment	(2,745)	(1,451)
Purchase of marketable securities	(212,057)	(200,858)
Sale of marketable securities	217,586	208,902
	2,784	6,593
Financing activities		
Proceeds from the issuance of share capital	-	161
	-	161
Net increase in cash during period	5,626	1,664
Cash and cash equivalents – Beginning of period	3,872	7,878
Cash and cash equivalents – End of period	9,498	9,542
Cash and cash equivalents are represented by		
Balances with banks	2,360	6,766
Cash equivalents	7,138	2,776