



Q4-10 Financial Results

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Forward-looking Information

Certain information presented in this presentation by management of Sandvine Corporation (the “Company”) that is not historical factual information may constitute forward-looking information within the meaning of securities laws. Actual results could differ materially from a conclusion, forecast or projection contained in such forward-looking information. Certain material factors or assumptions were also applied in drawing a conclusion or making a forecast or projection as reflected in such forward-looking information. Additional information about the material factors that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information, and details regarding the material factors or assumptions that were applied in drawing such conclusions or making such forecasts or projections are contained in the Company’s Annual Information Form and in other filings made by the Company with applicable securities regulators from time to time, all of which are available through SEDAR at www.sedar.com.



Highlights

- ❖ Record revenue
 - \$25.0 million quarterly revenue
 - » 6th consecutive quarter of revenue growth
 - » 2% sequential growth, 32% year-over-year growth
 - \$94 million FY 2010 revenue, up 36%

- ❖ Net income
 - 4th consecutive quarter of profitability
 - Q4 2010 Non-GAAP: \$1.7 million
 - » GAAP: \$0.9 million
 - FY 2010 non-GAAP: \$10.1 million
 - » GAAP: \$5.6 million

- ❖ FY 2010 revenue diversity
 - DSL market revenue almost doubles
 - Mobile market revenue up 29%
 - Grew revenue in every sales region
 - » APAC sales grew over 160%
 - Resellers generate 50% of revenue

- ❖ 5 new customer wins in Q4, 26 for FY 2010

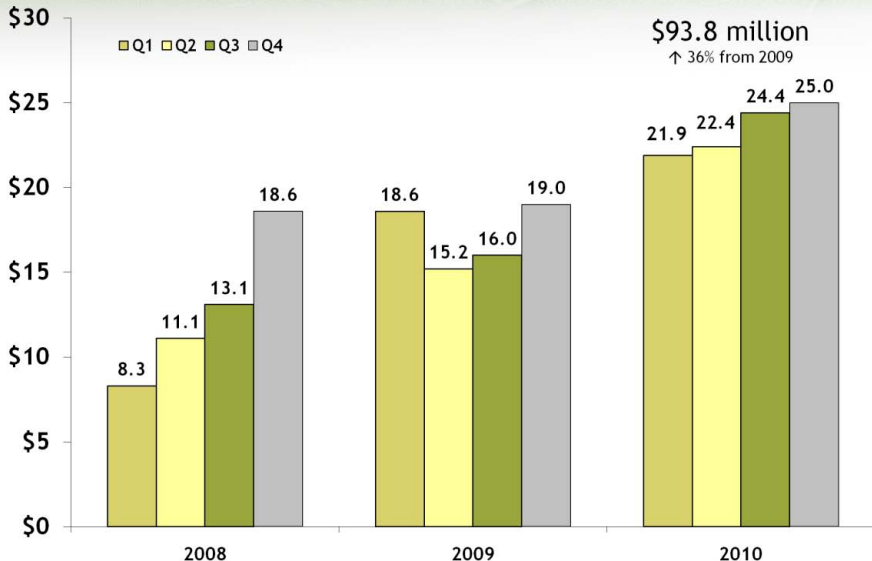
- ❖ Sandvine named market share leader, grows market share





Quarterly Revenue

C\$ millions



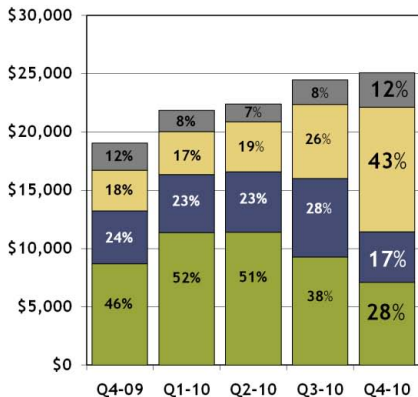
Based on un-audited results



Geographical Diversification

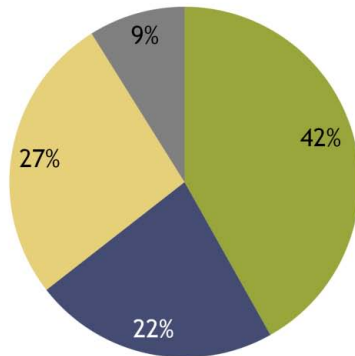
Revenue by Geography

C\$ 000s



■ North America ■ EMEA ■ APAC ■ CALA

FY 2010 Revenue

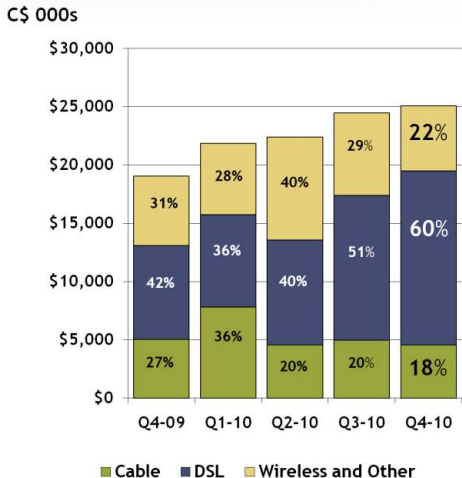


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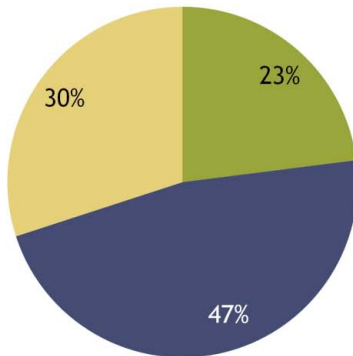


Market Diversification

Revenue by Market



FY2010 Revenue

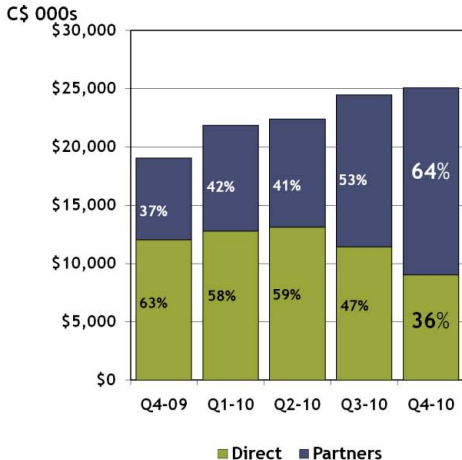


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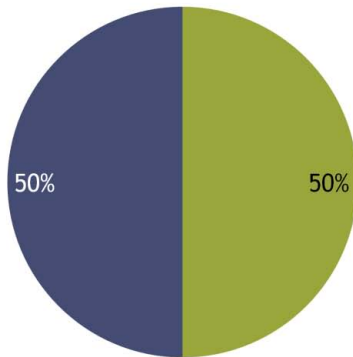


Channel Diversification

Revenue by Sales Channel



FY 2010 Revenue

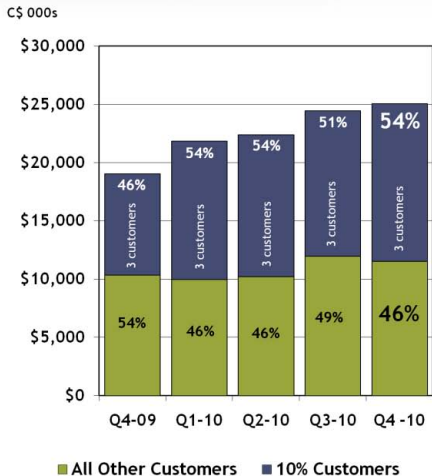


Based on un-audited results

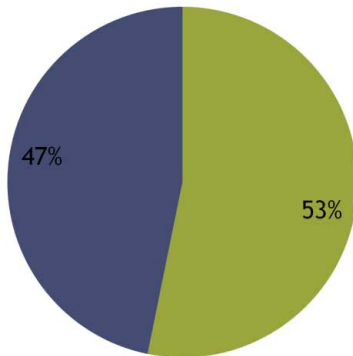


Customer Diversification

Customer Concentration



FY 2010 Revenue



Based on un-audited results



Financial Highlights

<i>Canadian \$000s</i>	Q4-10	Q3-10	Change
Revenue	25,048	24,447	2%
Gross Margin	17,986 72%	18,031 74%	-0.2% -2 pp
R&D, SG&A ⁽¹⁾	15,221	13,698	11%
Other Operating Expenses ⁽²⁾	2,069	2,210	-6%
GAAP Income (Loss)	874 0.006/share	2,200 0.016/share	-60% -63%
Non-GAAP Income (Loss)	1,710 0.012/share	3,058 0.022/share	-44% -45%

<i>Canadian \$000s</i>	Nov. 30, 2010	Aug. 31, 2010	Change
Cash ⁽³⁾	90,287	\$89,359	1%
Pro Forma DSOs ⁽⁴⁾	76 days	63 days	13 days

(1) Excludes government assistance and repayments

(2) Includes government assistance and repayments, depreciation, amortization, intangible impairment and stock-based compensation

(3) Includes cash, cash equivalents and marketable securities.

(4) Excludes accounts receivable associated with deferred revenue.

Based on un-audited results



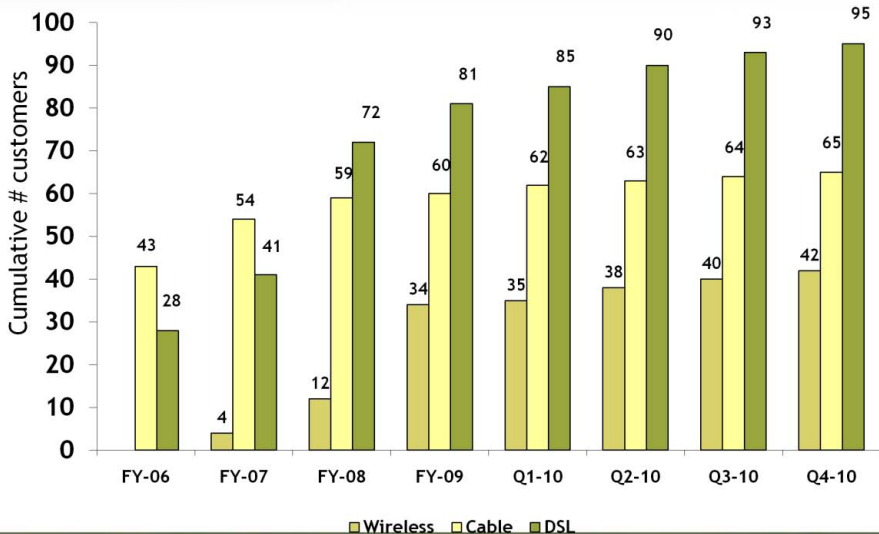
Change to US dollar

- ❖ US dollar as functional and reporting currency
 - Effected Dec. 1, 2010
- ❖ Historical USD financial information available in MD&A



Adding Customers Across Markets

- >200 customers, >80 countries, >300 mil. subscribers
- 5 new customers in Q4





Partnership Activity

❖ Interoperability Partnerships

- Interoperability with 4 new standalone PCRF vendors

❖ Ecosystem Partnerships

- Announced deployments with 3 media optimization partners
- Ongoing wins with content caching partner

❖ Reseller Partnerships

- Added Acision as global partner
- System Integrators represent new reseller opportunity



Network Neutrality

- ❖ New FCC rules include 4 principles:
 - Transparency
 - No blocking
 - No *unreasonable* discrimination
 - ALL subject to *Reasonable Network Management*
- ❖ Some carve-outs for mobile carriers, and paid prioritization of content likely deemed “unreasonable”
- ❖ Keys for Sandvine:
 - *Reasonable discrimination* allowed
 - *Reasonable network management* allowed
- ❖ Political fallout may yet come, so stay tuned



Emerging Market

\$1.5B in 2014



1.1B in 2014



\$1.6B in 2015



\$1.3B in 2015 **ABI**research®

\$1.1B in 2015





Thank you

For more information:

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