

## HISTORICAL U.S. DOLLAR DENOMINATED FINANCIAL RESULTS

As noted earlier, the Company adopted the US dollar as its functional and reporting currency effective December 1, 2010. In conjunction with adopting the US dollar as the Company's reporting currency, historical financial statements were restated into US dollars using the current rate method. Under this method, assets and liabilities are translated at the closing rate in effect at the end of the periods reported. Revenues, expenses and cash flows are translated at the average rates in effect throughout the period, or the rates in effect at the date of the transaction for significant transactions. Any exchange differences resulting from the translation are included in Accumulated Other Comprehensive Income presented in Shareholders' equity. The unaudited USD reporting currency supplementary information has been provided for informational purposes only to assist readers in comparing such results with results to be reported after the Conversion Date.

### Sandvine Corporation

#### Consolidated Balance Sheets

Expressed in USD, amounts in thousands

#### Unaudited

#### As at November 30

	2010	2009
<b>Assets</b>		
<b>Current assets</b>		
Cash and Cash Equivalents	87,949	2,218
Marketable Securities	-	79,027
Accounts Receivable	25,485	19,648
Inventory	11,268	9,230
Other	3,201	1,680
	<u>127,903</u>	<u>111,803</u>
<b>Non current assets</b>		
Plant and Equipment	12,341	12,340
Intangible Assets	5,125	4,946
Goodwill	-	-
Other	511	-
	<u>17,977</u>	<u>17,286</u>
	<u>145,880</u>	<u>129,089</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	12,005	10,166
Current Portion of Deferred Revenue	10,257	7,117
	<u>22,262</u>	<u>17,283</u>
<b>Non current liabilities</b>		
Deferred Revenue	703	748
	<u>703</u>	<u>748</u>
	<u>22,965</u>	<u>18,031</u>
<b>Shareholders' equity</b>		
Share capital	119,570	118,714
Contributed Surplus	10,007	7,680
Accumulated other comprehensive income	20,218	16,257
Deficit	(26,880)	(31,593)
	<u>122,915</u>	<u>111,058</u>
<b>Total Liabilities &amp; Equity</b>	<u>145,880</u>	<u>129,089</u>

**Sandvine Corporation**  
**Consolidated Statements of Operations**  
**Expressed in USD, amounts in thousands**  
**Unaudited**

	Three months ended				Year ended
	Feb 28, 2010	May 31, 2010	Aug 31, 2010	Nov 30, 2010	Nov 30, 2010
<b>Revenue</b>					
Product	17,797	16,380	17,607	18,658	70,442
Service	2,895	5,162	5,660	5,500	19,217
	<u>20,692</u>	<u>21,542</u>	<u>23,267</u>	<u>24,158</u>	<u>89,659</u>
<b>Cost of sales</b>					
Product	4,390	4,234	4,628	5,274	18,526
Service	878	1,356	1,490	1,549	5,273
	<u>5,268</u>	<u>5,590</u>	<u>6,118</u>	<u>6,823</u>	<u>23,799</u>
<b>Gross margin</b>	<u>15,424</u>	<u>15,952</u>	<u>17,149</u>	<u>17,335</u>	<u>65,860</u>
<b>Expenses</b>					
Sales and marketing	4,377	4,392	4,628	5,285	18,682
Research and development	6,210	5,155	6,695	7,033	25,093
General and administrative	2,349	1,938	1,893	2,380	8,560
Stock based compensation	634	727	639	631	2,631
Amortization of intangible assets	477	426	315	345	1,563
Depreciation	926	1,033	1,104	1,232	4,295
Intangible impairment	-	643	-	-	643
Goodwill impairment	-	-	-	-	-
	<u>14,973</u>	<u>14,314</u>	<u>15,274</u>	<u>16,906</u>	<u>61,467</u>
<b>Income (loss) from operations</b>	<u>451</u>	<u>1,638</u>	<u>1,875</u>	<u>429</u>	<u>4,393</u>
<b>Interest and other income</b>	<u>47</u>	<u>84</u>	<u>112</u>	<u>222</u>	<u>465</u>
<b>Income (loss) before provision for income taxes</b>	<u>498</u>	<u>1,722</u>	<u>1,987</u>	<u>651</u>	<u>4,858</u>
<b>Provision for (recovery of) income taxes</b>					
Current	34	25	38	48	145
Future	-	-	-	-	-
	<u>34</u>	<u>25</u>	<u>38</u>	<u>48</u>	<u>145</u>
<b>Net income (loss)</b>	<u>464</u>	<u>1,697</u>	<u>1,949</u>	<u>603</u>	<u>4,713</u>
<b>Earnings (loss) per share</b>					
Basic	0.003	0.012	0.014	0.004	0.035
Diluted	0.003	0.012	0.014	0.004	0.033
Basic weighted average number of shares outstanding	135,830	136,006	136,466	136,724	136,256
Diluted weighted average number of shares outstanding	139,592	141,154	140,729	141,249	140,716

**Sandvine Corporation**  
**Consolidated Statements of Operations**  
**Expressed in USD, amounts in thousands**  
**Unaudited**

	Three months ended				Nov 30, 2009
	Feb 28, 2009	May 31, 2009	Aug 31, 2009	Nov 30, 2009	
<b>Revenue</b>					
Product	12,184	9,061	10,872	13,977	46,094
Service	3,027	4,159	3,629	3,843	14,658
	<u>15,211</u>	<u>13,220</u>	<u>14,501</u>	<u>17,820</u>	<u>60,752</u>
<b>Cost of sales</b>					
Product	3,097	2,637	3,125	3,903	12,762
Service	613	590	784	956	2,943
	<u>3,710</u>	<u>3,227</u>	<u>3,909</u>	<u>4,859</u>	<u>15,705</u>
<b>Gross margin</b>	<u>11,501</u>	<u>9,993</u>	<u>10,592</u>	<u>12,961</u>	<u>45,047</u>
<b>Expenses</b>					
Sales and marketing	4,253	4,443	4,209	4,946	17,851
Research and development	5,749	5,690	6,020	6,566	24,025
General and administrative	1,549	2,014	2,003	2,111	7,677
Stock based compensation	661	681	740	2,364	4,446
Amortization of intangible assets	403	442	483	526	1,854
Depreciation	850	979	1,088	1,169	4,086
Intangible impairment	-	-	-	-	-
Goodwill impairment	1,964	-	-	-	1,964
	<u>15,429</u>	<u>14,249</u>	<u>14,543</u>	<u>17,682</u>	<u>61,903</u>
<b>Income (loss) from operations</b>	<u>(3,928)</u>	<u>(4,256)</u>	<u>(3,951)</u>	<u>(4,721)</u>	<u>(16,856)</u>
<b>Interest and other income</b>	<u>269</u>	<u>111</u>	<u>102</u>	<u>77</u>	<u>559</u>
<b>Income (loss) before provision for income taxes</b>	<u>(3,659)</u>	<u>(4,145)</u>	<u>(3,849)</u>	<u>(4,644)</u>	<u>(16,297)</u>
<b>Provision for (recovery of) income taxes</b>					
Current	38	17	24	66	145
Future	55	12	(22)	(237)	(192)
	<u>93</u>	<u>29</u>	<u>2</u>	<u>(171)</u>	<u>(47)</u>
<b>Net income (loss)</b>	<u>(3,752)</u>	<u>(4,174)</u>	<u>(3,851)</u>	<u>(4,473)</u>	<u>(16,250)</u>
<b>Earnings (loss) per share</b>					
Basic	(0.028)	(0.031)	(0.028)	(0.033)	(0.120)
Diluted	(0.028)	(0.031)	(0.028)	(0.033)	(0.120)
Basic weighted average number of shares outstanding	135,554	135,585	135,654	135,757	135,637
Diluted weighted average number of shares outstanding	135,554	135,585	135,654	135,757	135,637

**Sandvine Corporation**  
**Consolidated Statements of Cash Flows**  
**Expressed in USD, amounts in thousands**  
**Unaudited**

	<u>Year ended</u> Nov 30, 2010	<u>Year ended</u> Nov 30, 2009
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss) for the period	4,713	(16,250)
Add (deduct) non-cash items	-	-
Amortization	1,563	1,854
Depreciation	4,615	4,183
Foreign exchange loss (gain)	280	120
Stock-based compensation	2,631	4,446
Future income tax recovery		(193)
Goodwill impairment		1,964
Intangible impairment	643	-
	<u>14,445</u>	<u>(3,876)</u>
Changes in non-current balances	(45)	598
Change in non-cash working capital	<u>(3,630)</u>	<u>2,360</u>
	<u>10,770</u>	<u>(918)</u>
<b>Investing activities</b>		
Purchase of capital and intangible software assets	(7,313)	(5,027)
Purchase of Marketable Securities	(79,871)	(408,458)
Sale of Marketable Securities	<u>161,326</u>	<u>413,004</u>
	<u>74,142</u>	<u>(481)</u>
<b>Financing activities</b>		
Proceeds from the issuance of share capital	<u>652</u>	<u>115</u>
	<u>652</u>	<u>115</u>
		-
<b>Effect of foreign exchange gain(loss) on cash and cash equivalents</b>	<u>167</u>	<u>371</u>
		-
<b>Net increase (decrease) in cash during the period</b>	<u>85,731</u>	<u>(912)</u>
<b>Cash and cash equivalents - beginning of the period</b>	<u>2,218</u>	<u>3,130</u>
<b>Cash and cash equivalents - end of period</b>	<u>87,949</u>	<u>2,218</u>