

*Good day, ladies and gentlemen, and thank you for standing by. Welcome to the InfoVista Preliminary Financial Results for its fourth quarter and fiscal year 2011. Joining us today on the call are Philippe Ozanian, InfoVista's CEO and David Forlizzi, CFO. At this time, all participants have been placed in listen-only mode. As a reminder, today's call is being recorded and may not be reproduced without written permission from InfoVista. I'd like to hand over the call now to Mr Ozanian. Please go ahead.*

### **Philippe Ozanian**

Thank you. Welcome everyone. I will begin today's call with some brief remarks, followed by David who will provide a quick review on the preliminary financial results of the fourth quarter and 2011 fiscal year. Then, we will conclude with a question-and-answer session. As always, all our statements are subject to risks and uncertainties as described in our press release and annual report that you can easily find at [infovista.com](http://infovista.com).

Based on preliminary results, total revenues for the fiscal year are expected to be below our annual objective, while operating income should be at the higher end of the range. Without a doubt, this is a disappointment, as we had a solid and well-qualified pipeline at the beginning of the fourth quarter to meet or even exceed our **47 million euros** revenue objective. However, our preliminary operating margin for FY2011 of **9 percent** reveals a remarkable progress, as compared to last year.

During the month of June, we experienced delays in closing several sizeable deals, notably four large orders each greater than **1 million euros**. The delay in closing these deals were mostly due to contract negotiation on terms and conditions. None of those deals were lost to competition and we continue to actively pursue them all. For example, a **1 million euro** software order from a service provider customer in Africa was negotiated with procurement throughout June and was received on July 5<sup>th</sup>. As of today, we continue to address revenue recognition items in order to solidify the deal in our revenues as soon as possible.

The shortfall in revenues should not shadow the remarkable improvement in InfoVista's productivity, as demonstrated by the expected year-on-year operating income growth of more than **65 percent**. At this preliminary result, operating margin will be at a record level for a fiscal year, since the inception of InfoVista 16 years ago.

To conclude on my brief remarks, I remain confident that InfoVista's leadership in our market will allow us to accelerate continued growth in profitability in fiscal year 12 and

beyond. More details on our fiscal year 2011 results, as well as our future outlook for fiscal year 2012, will be provided during our regular quarterly conference call scheduled on July 27. Now I'd like to hand the call over to David to provide a brief overview of our preliminary results.

### **David Forlizzi**

Thank you Philippe. And good morning and afternoon to everyone. Based on our preliminary results, InfoVista generated total revenues of approximately **11.4 million euros** for the fourth quarter and **45.8 million euros** for the year ended June 30, 2011. This represents a **2.6 percent** shortfall against our annual objective of **47 million euros**. Our preliminary revenue results for fiscal year 11 represent an increase of approximately **7 percent** as compared to the previous fiscal year. In addition, based on preliminary estimates, fiscal year 11 license revenues have increased by around **14 percent** year-on-year.

Estimated operating margin is expected to be around **9 percent** for the fiscal year 2011. As you may recall, our fiscal year 11 operating margin objective was **7 to 10 percent** of **47 million euros**, so at **9 percent** of **45.8 million euros**, we are at the upper end of the range. Our strong control and discipline on costs and investments along with our variable compensation structure closely linked to revenues provided the agility to well manage our profitability.

Lastly, a quick word on cash. Expected free cash flow for the quarter should be nearly **2 million euros**, resulting in approximately **3.5 million euros** for year ended June 30, 2011. As a result of **2.4 million euros** of cash used on our stock buyback program in Q4, preliminary results show that the yearend balance of cash, cash equivalents and short-term deposits are expected to decrease by **0.5 million euros**, as compared to March 31, 2011.

As mentioned by Philippe, we will provide more details regarding the financial results during our earnings call scheduled for Wednesday July 27th. We appreciate your time and will now take your questions.

### **After the Q&A session - Philippe**

Thank you Operator.

And thank you everyone for attending this call and your continued support for InfoVista.