

# Voltaire Announces 35% Sequential Revenue Growth in Third Quarter 2009

*Revenues reach \$14.5 million, continuing growth momentum Conference call to discuss results scheduled for 10:00 am EDT today*

**BILLERICA, Mass. and RA'ANANA, Israel – October 28, 2009** – Voltaire Ltd. (NASDAQ: VOLT), a leading provider of scale-out data center fabrics, today announced financial results for the three- and nine-month periods ended September 30, 2009.

## **Main Highlights** (compared to second quarter 2009)

- Gross profit reaches \$7.4 million, compared to \$5.7 million in second quarter 2009
- Narrowed both operating and net loss, on 51.0% gross margin
- Cash, cash equivalents and marketable securities at September 30, 2009 totaled \$50.4 million
- Reiterate 2009 annual revenue guidance of \$50 million
- Witnessing growing demand for 40 Gb/s InfiniBand director switches and Unified Fabric Manager software

## **Financial Results**

Revenues for the third quarter of 2009 totaled \$14.5 million, compared to \$14.7 million in the third quarter of 2008. Revenues increased 35% sequentially from \$10.7 million in the second quarter of 2009.

Gross profit for the third quarter of 2009 totaled \$7.4 million, compared to \$8.0 million in the third quarter of 2008. Gross profit increased 30% sequentially from \$5.7 million in the second quarter 2009. Gross margin for the third quarter of 2009 totaled 51.0%, compared to 54.5% gross margin for the third quarter of 2008, and 52.9% gross margin in the second quarter 2009.

Operating loss for the third quarter of 2009 totaled \$1.5 million, compared to an operating loss of \$1.2 million in the third quarter of 2008 and an operating loss of \$2.8 million in the second quarter 2009.

Net loss for the third quarter of 2009 totaled \$1.5 million, or \$0.07 loss per share, compared to a net loss of \$0.9 million, or \$0.04 loss per share, in the third quarter of 2008. Net loss for the second quarter of 2009 totaled \$2.9 million, or \$0.14 loss per share.

Net loss, on a non-GAAP basis, for the third quarter of 2009 totaled \$0.9 million, or \$0.05 loss per share, compared to net loss, on a non-GAAP basis, of \$0.4 million, or \$0.02 loss per share, in the third quarter of 2008.

Cash, cash equivalents, and marketable bonds and securities as of September 30, 2009, totaled \$50.4 million, compared to \$50.6 million as of June 30, 2009.

**Mr. Ronnie Kenneth, Chairman and CEO of Voltaire commented,** "This was a quarter of strong financial performance and business execution for Voltaire, with continued order momentum driving higher revenues and gross profit. This growth, paired with prudent expense management, enabled us to further narrow our operating and net income, while minimizing cash expenditure. This quarter we witnessed growing demand for our 40 Gb/s InfiniBand director switches as well as our Unified Fabric Manager software by the government, HPC and financial services vertical markets, contributing to the majority of revenues."

**Mr. Kenneth added,** "In terms of our go-to-market strategy, this quarter we further expanded our partnerships with our premier server OEM partners. HP started selling Voltaire's Unified Fabric Manager software as part of its scale-out infrastructure portfolio, and IBM became the first of our OEM partners to sell our new Vantage 8500 low latency, 10 Gigabit Ethernet switches, in addition to our 20 and 40 Gb/s InfiniBand platforms."

"Looking ahead, we believe we are back on track to generate long term growth, entering the fourth quarter with a healthy backlog and pipeline, driven by the increasing demand for our 40 Gb/s InfiniBand director switches, incremental software business and continued growth in the Asia Pacific region," **concluded Mr. Kenneth.**

## **Outlook**

Management reiterates previously announced guidance, and expects revenues for the full year of 2009 to be around \$50 million. Gross margin for the year is expected to be around 50%, and to return to approximately 55% in 2010. Non-GAAP operating expense levels for this year are expected to remain at a similar level to 2008.