

# **Voltaire Announces 54% Revenue Growth Year-Over-Year for the Second Quarter of 2010**

*Second quarter revenues reach \$16.6 million, growing 54% over second quarter 2009 revenues;  
Conference call to discuss results scheduled for 10:00 am ET today*

**CHELMSFORD, Mass. and RA'ANANA, Israel – July 28, 2010** – Voltaire Ltd. (NASDAQ: VOLT), a leading provider of scale-out data center fabrics, today announced financial results for the three month and six month period ended June 30, 2010.

## **Second Quarter 2010 Main Highlights**

- Strong year-over-year revenue growth, reaching \$16.6 million;
- GAAP net loss reduced to \$1.7 million compared with \$2.9 million in Q2 last year; non-GAAP net loss reduced to, \$0.9 million from \$2.3 million;
- Cash, cash equivalents and marketable securities as of June 30, 2010 totaled \$41.8 million; and
- Reaffirms 2010 annual revenue guidance range of \$67-70 million, representing an increase of 33-39% year over year; remains on track for reaching profitability by year-end.

## **Second Quarter Results**

Revenues for the second quarter of 2010 totaled \$16.6 million, an increase of 54% compared with \$10.7 million reported in the second quarter of 2009.

Gross profit for the second quarter of 2010 totaled \$8.5 million, an increase of 49% compared to \$5.7 million in the second quarter of 2009. Gross margin for the second quarter of 2010 totaled 51.1%, compared to 52.9% for the second quarter of 2009.

Operating loss for the second quarter of 2010 totaled \$1.7 million, an improvement compared to the \$2.8 million operating loss in the second quarter of 2009. On a non-GAAP basis, the Company reported operating loss of \$0.8 million compared with an operating loss of \$2.3 million in the second quarter of 2009.

Net loss for the second quarter of 2010 totaled \$1.7 million, or \$0.08 loss per share. This represents an improvement from a net loss of \$2.9 million, or \$0.14 loss per share, in the second quarter of 2009.

Net loss, on a non-GAAP basis, for the second quarter of 2010 totaled \$0.9 million, or \$0.04 loss per share, compared to a net loss, on a non-GAAP basis, of \$2.3 million, or \$0.11 loss per share, in the second quarter of 2009.

Cash, cash equivalents and marketable securities as of June 30, 2010, totaled \$41.8 million with no debt, compared to \$44.7 million as of March 31, 2010.

## **Management Comments**

**Mr. Ronnie Kenneth, Chairman and CEO of Voltaire commented,** “Our business and financial results point to another quarter of improving performance and we remain on track. Looking ahead, I believe we have all the pieces in place for achieving our short- and long-term goals. Over the past few quarters, we

have increasingly capitalized on our core competencies in InfiniBand, leveraging it to Ethernet, and we are now beginning to enjoy the fruits of that investment. We read the direction of the industry correctly as the principles underlying high performance computing including scale-out, low latency and application acceleration are becoming ever more important for today's data centers and cloud computing environments. I remain excited with regard to our prospects for the second half of 2010 and going into 2011."

## **Outlook**

Management reaffirmed its financial guidance for the full year of 2010.

Revenues for the full year of 2010 are expected in the range of \$67 - 70 million, reflecting year over year revenue growth of 33 – 39%, with the second half of the year being seasonally stronger than the first half.

Management continues to expect full year gross margin to be in the range of 51-53%, similar to 2009, and continues to expect non-GAAP operating expenses between \$38 - 39.5 million for 2010. The increase in operating expenses in 2010 compared with that of 2009, is to enable the Company to capitalize on the current and emerging market opportunities, as well as support the forecasted growth of both the InfiniBand and Ethernet-based product lines.

Management believes that the Company remains on track for non-GAAP operating profit by the fourth quarter of 2010.

## **Second Quarter Press Release Highlights**

**Jun. 28** - The Tokyo Institute of Technology Selects Voltaire 40 Gb/s InfiniBand for Japan's First 2.4 Petaflop Supercomputer

**Jun. 21** - Voltaire Expands 10 GbE Portfolio with New Low-Latency Layer 2/3 Switch for Next Generation Data Centers and Cloud Computing

**Jun. 14** - Voltaire Collaborates with NASDAQ OMX and HP to Deliver Next Generation High-Speed Trading Platform to Singapore Exchange

**Jun. 2** - Voltaire Leads InfiniBand Growth on the TOP500 with Switches Accelerating More Than Half of All InfiniBand Deployments

**Jun. 1** - Voltaire and Platform Computing Join Forces to Deliver Fabric Optimization and Automation to HPC & Cloud Computing

**May 25** - QLogic QDR InfiniBand Adapters Available Through Voltaire

**Apr. 22** - Voltaire Announces Interop Demonstration: Industry's First Fully Virtualized, Scale-out Data Center Across a Multi-Vendor 10 GbE Fabric

**Apr. 19** - BLADE Network Technologies and Voltaire Partner to Deliver Industry's Highest-Density 10 Gigabit Ethernet Fabric Solution

**Apr. 13** - 29West and Voltaire Announce New Ultra Messaging Solution for 10 Gigabit Ethernet

**Apr. 13** - Voltaire Brings Virtualized Data Center Management and Lowest Latency to 10 Gigabit Ethernet Fabrics with New Software Offerings

## **Use of Non-GAAP Financial Measure**

Voltaire reports its results of operations in accordance with GAAP and, additionally, on a non-GAAP basis. Non-GAAP operating income (loss) and non-GAAP net income (loss) are calculated based on the operating income (loss) or net income (loss) in Voltaire's financial statements excluding non-cash equity-based compensation charges recorded in accordance with SFAS 123R. Reconciliation of this non-GAAP

measure to operating income (loss) and net income (loss), the most comparable GAAP measures, is provided in the schedules attached to this release. Voltaire provides these non-GAAP financial measures because its management believes that they are useful in enhancing investors' understanding of Voltaire's ongoing performance. Voltaire uses internally the Non-GAAP information to evaluate the Company's ongoing performance. Voltaire is providing this information to investors to enable them to perform comparisons of operating results in a manner similar to how the Company analyzes its operating results.