

Q3/11 Financial Review

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This presentation is designed to accompany
the information given on the
RADVISION Q3 2011 Earnings
Conference Call on October 27, 2011.



This presentation contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the industry, changes in demand for products, the timing and amount or cancellation of orders and other risks detailed from time to time in RADVISION's filings with the Securities Exchange Commission, including RADVISION's Form 20-F Annual Report. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statement.

RADVISION Business Units

■ Video Business Unit (VBU)-

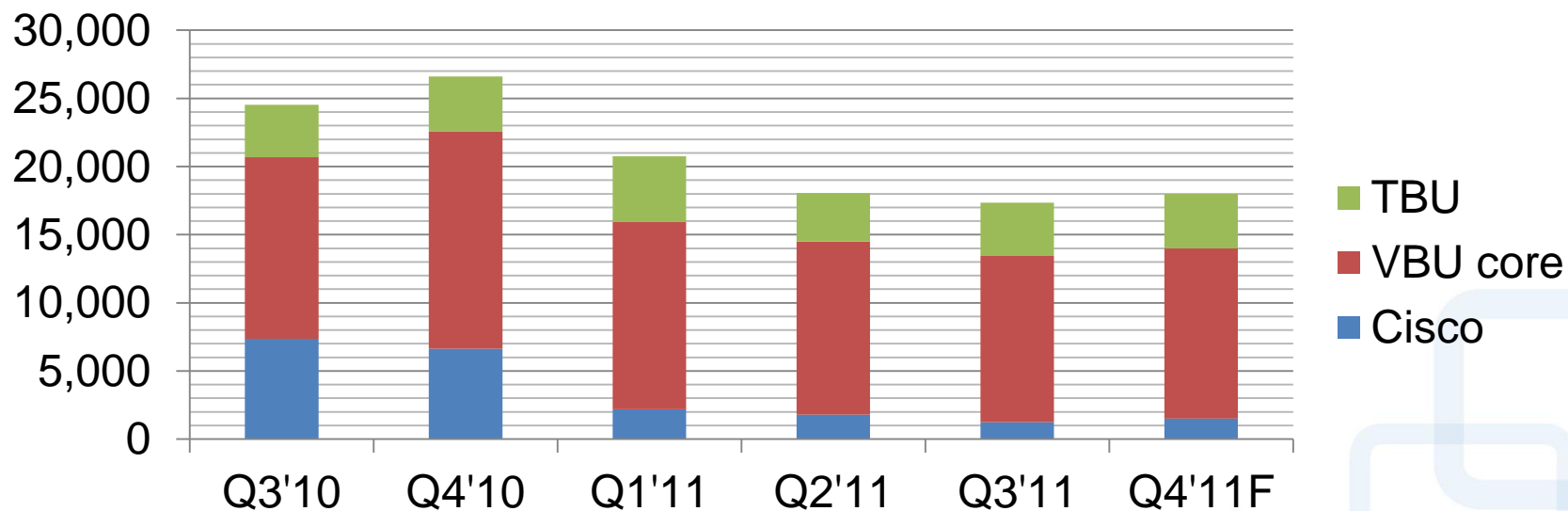
- Leading provider of IP-centric and 3G videoconferencing platforms (Network Infrastructure, Management Software, Meeting Room and Desktop Endpoints)
- Powered by RADVISION IP protocols (see below)
- Supports both legacy ISDN and IP protocols and all end points
- End to end solutions supporting Voice, Video and Data conferencing

■ Technology Business Unit (TBU)-

- Pioneering VoIP Developer Solutions since 1992
- Large market share with over 700 customers
- Provides SDKs and platforms for development of VoIP Clients and Servers
- Solutions designed for IP and 3G networks
- Powering majority of IMS and Pre-IMS deployments

Revenues – General (\$K)

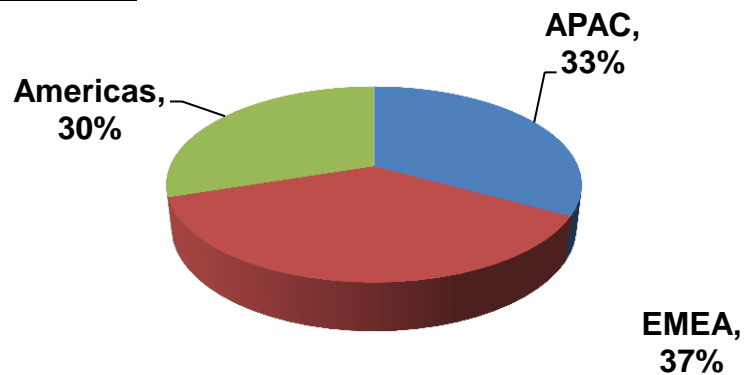
	<i>Actual</i> Q3/10	<i>Actual</i> Q4/10	<i>Actual</i> Q1/11	<i>Actual</i> Q2/11	<i>Actual</i> Q3/11	<i>Forecast</i> Q4/11
VBU	\$20,675	\$22,590	\$15,929	\$14,501	\$13,446	\$14,000
TBU	\$3,866	\$4,027	\$4,826	\$3,560	\$3,899	\$4,000
Total	\$24,541	\$26,617	\$20,755	\$18,061	\$17,345	\$18,000
Gross Margin	72.3%	72.9%	71.0%	69.4%	69.0%	69.2%



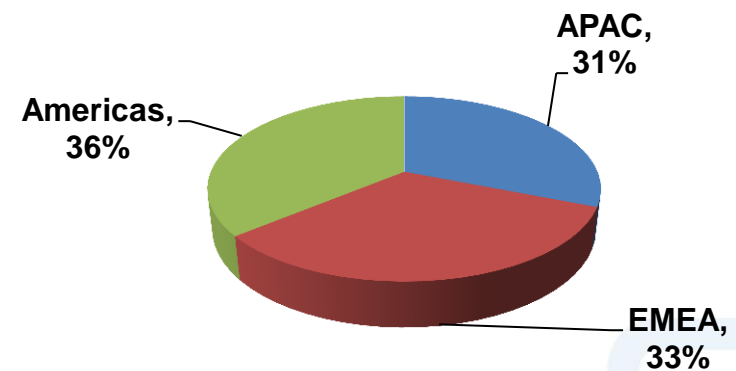
Revenues- Geographic & Concentration

	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Americas	52%	41%	39%	30%	36%
EMEA	22%	33%	27%	37%	33%
APAC	26%	26%	34%	33%	31%
Total	100%	100%	100%	100%	100%

Q2/11



Q3/11



	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Top 10 Customers	54%	49%	40%	38%	33%

NON-GAAP Operating Expenses

			Actual			Forecast	
	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	
Research & Development	\$ 7,455	\$ 7,400	\$ 7,749	\$ 7,958	\$ 7,692	\$ 7,800	
Sales & Marketing	\$ 7,236	\$ 7,690	\$ 8,360	\$ 8,883	\$ 8,714	\$ 9,000	
General & Administration	\$ 1,419	\$ 1,312	\$ 1,198	\$ 1,237	\$ 1,341	\$ 1,300	
Total	\$16,110	\$16,402	\$17,307	\$18,078	\$ 17,747	\$ 18,100	

% of revenues			Actual			Forecast	
	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	
Research & Development	30.4%	27.8%	37.3%	44.1%	44.3%	43.3%	
Sales & Marketing	29.5%	28.9%	40.3%	49.2%	50.2%	50.0%	
General & Administration	5.8%	4.9%	5.8%	6.8%	7.7%	7.2%	
Total	65.6%	61.6%	83.4%	100.1%	102.3%	100.6%	

Data excluding deferred stock compensation according to ASC 718, acquisition-related costs, amortization of purchased intangibles, acquisition-related restructuring expenses, net and payment for Aethra asset purchase.

Cash Flow –

	(U.S. Dollars in thousands)				
	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Cash & cash equivalents*	\$115,452	\$116,385	\$110,170	\$101,347	\$92,417
as percent of total assets	71%	70%	68%	66%	65%
Cash flow from (used in) operations	\$1,018	\$1,713	(\$4,350)	(\$7,259)	(\$5,497)
Aethra asset purchase payment	-	-	-	-	(\$2,381)
Capital expenditures	(\$749)	(\$813)	(\$803)	(\$648)	(\$654)
Option exercise	\$73	\$33	\$1,172	\$264	\$48
Buy back	(\$7,131)	-	(\$2,234)	(\$1,180)	(\$446)
Net change in cash	(\$6,789)	\$933	(\$6,215)	(\$8,823)	(\$8,930)
Cash per basic share	\$5.99	\$6.27	\$5.93	\$5.48	\$5.01
# of basic shares	19,287	18,564	18,593	18,508	18,438

*Including short term and long term investments

Balance Sheet

(U.S. Dollars in thousands)
(Un-audited)

	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Inventory days	30	32	66	79	89
Inventory	\$2,218	\$2,556	\$4,335	\$4,761	\$5,236
DSOs (in days)	44	52	63	82	83
Target DSOs	55	55	55	55	55
Receivables	\$11,824	\$15,137	\$14,638	\$16,309	\$15,864

Actual Results and 4Q/11 Guidelines

			Actual			Guidelines
	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11
Sales	24,541	26,617	20,755	18,061	17,345	18,000
COGS	6,789	7,219	6,014	5,520	5,372	5,550
Gross Profit	17,752	19,398	14,741	12,541	11,973	12,450
Gross Margin	72.3%	72.9%	71.0%	69.4%	69.0%	69.2%
Research & Development	7,455	7,400	7,749	7,958	7,692	7,800
Sales & Marketing	7,236	7,690	8,360	8,883	8,714	9,000
General & Administration	1,419	1,312	1,198	1,237	1,341	1,300
Total Operating Expenses	16,110	16,402	17,307	18,078	17,747	18,100
Operating Income (Loss)	1,642	2,996	(2,566)	(5,537)	(5,774)	(5,650)
Financial Income	552	207	469	344	205	300
Tax Expense	(577)	(278)	(283)	(170)	(237)	(300)
Non-GAAP Net Income (Loss)	1,617	2,925	(2,380)	(5,363)	(5,806)	(5,650)
ASC 718 (previously FAS-123)	(571)	(783)	(485)	(402)	(386)	(700)
Amortization of Purchased Intangibles	(522)	(479)	(476)	(428)	(429)	(430)
ARS Write-down	(223)	(34)	(6)	(281)	(14)	-
Aethra asset purchase payment	-	-	-	-	(806)	-
Tax Asset Write-Down	-	-	-	(1,697)	-	-
Acquisition-related Restructuring Expenses, net	-	(262)	-	-	-	-
GAAP Net Income (Loss)	301	1,367	(3,347)	(8,171)	(7,441)	(6,780)
No. of Diluted Shares	19,359	18,734	18,593	18,507	18,438	18,396
Non-GAAP Diluted EPS	\$0.08	\$0.16	(\$0.13)	(\$0.29)	(\$0.31)	(\$0.31)
GAAP Diluted EPS	\$0.02	\$0.07	(\$0.18)	(\$0.44)	(\$0.40)	(\$0.37)

(*) Operating expense data excluding deferred stock compensation according to ASC 718, amortization of purchased intangibles and acquisition-related restructuring expenses, net.

Thank You!

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