

---

# 3Q08 Financial Review

---





*Adi Sfadia*  
CFO

This presentation is designed to accompany the information given on the RADVISION Q3 2008 Earnings Conference Call on October 30, 2008.






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*

## Networking Business Unit (NBU)

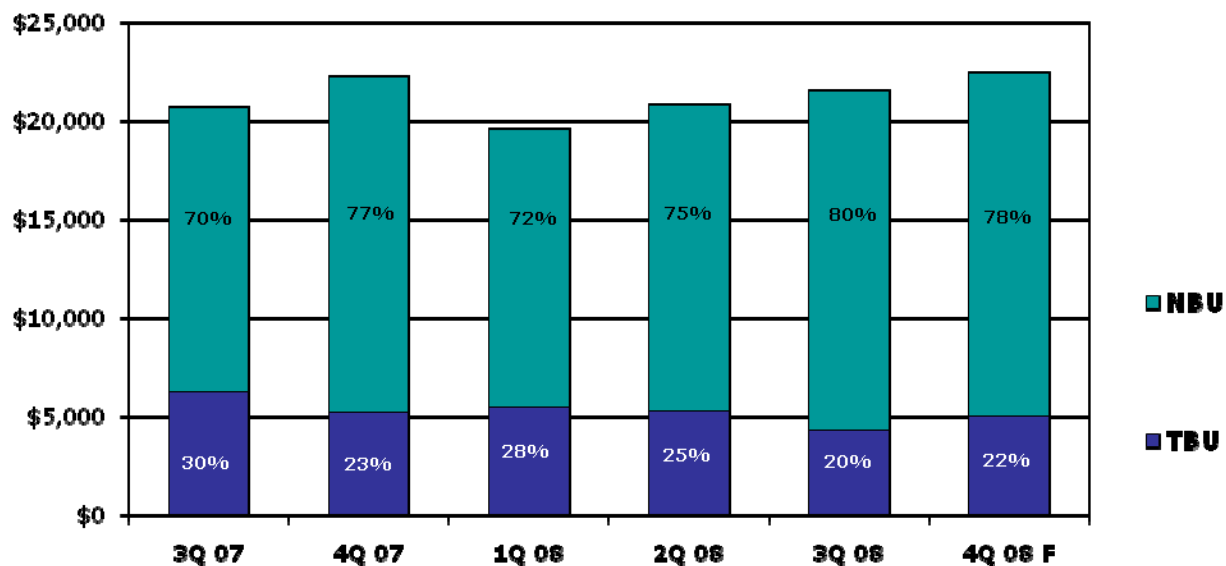
-  Leading provider of IP-centric and 3G **videoconferencing platforms** (gateways, gatekeepers, and enhanced services)
-  Powered by **RADVISION IP protocols** (see below)
-  Supports both legacy ISDN and IP protocols and all end points
-  Supports Voice, Video and Data conferencing

## Technology Business Unit (TBU)

-  Dominant leader in providing **IP Software and Toolkits**
-  Supplies IP, 3G protocols and toolkits (H.323, SIP, MGCP, 3G-324M)
-  Used by companies to develop equipment for voice/video over IP and 3G wireless (IP phones, servers, 3G cell phones, etc.)
-  The leading brand name for 13 years
-  Large customer base of over 500 licensees

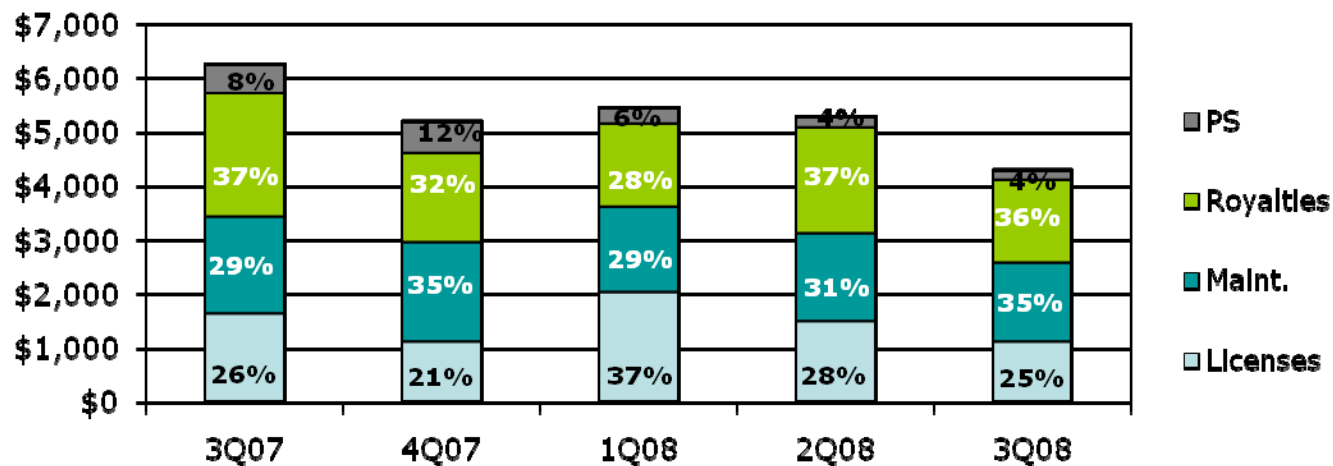
# Revenues - General

	<i>Actual</i> <u>3Q 2007</u>	<i>Actual</i> <u>4Q 2007</u>	<i>Actual</i> <u>FY2007</u>	<i>Actual</i> <u>1Q 2008</u>	<i>Actual</i> <u>2Q 2008</u>	<i>Actual</i> <u>3Q 2008</u>	<i>Forecast</i> <u>4Q 2008</u>
TBU	\$6,261	\$5,205	\$23,312	\$5,456	\$5,291	\$4,297	\$5,000
NBU	\$14,447	\$17,111	\$68,271	\$14,151	\$15,554	\$17,258	\$17,500
<b>Total</b>	<b>\$20,708</b>	<b>\$22,316</b>	<b>\$91,583</b>	<b>\$19,607</b>	<b>\$20,845</b>	<b>\$21,555</b>	<b>\$22,500</b>
Gross Margin	81.0%	80.1%	80.4%	79.1%	78.3%	77.7%	78.2%



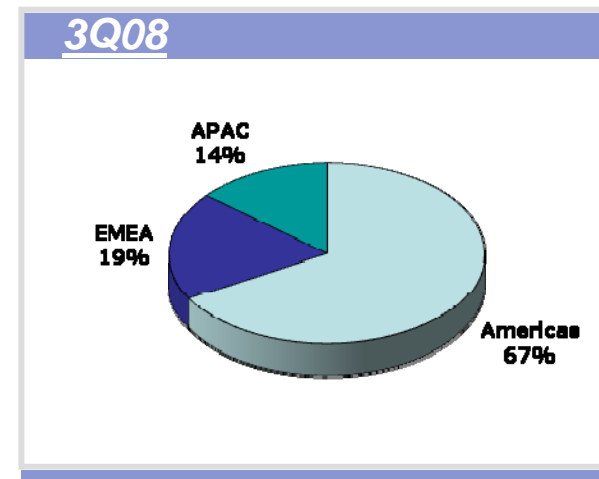
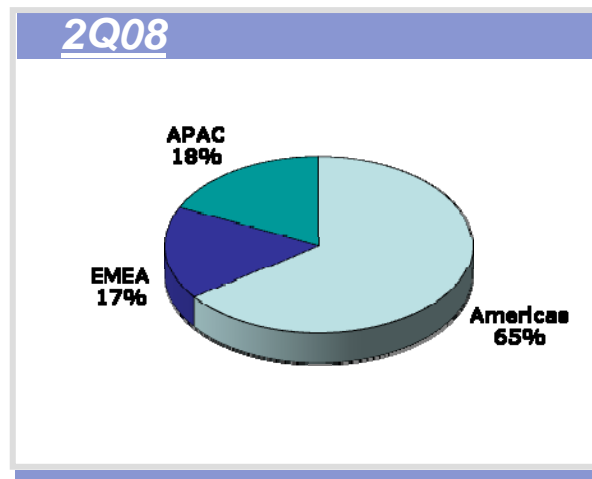
# Revenues - TBU

	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> <b>FY2007</b>	<u>Actual</u> 1Q 2008	<u>Actual</u> 2Q 2008	<u>Actual</u> 3Q 2008
PS	\$529	\$604	<b>\$2,028</b>	\$303	\$202	\$195
Royalties	\$2,297	\$1,651	<b>\$6,974</b>	\$1,534	\$1,974	\$1,526
Maint.	\$1,805	\$1,842	<b>\$6,983</b>	\$1,593	\$1,638	\$1,483
Licenses	\$1,630	\$1,108	<b>\$7,327</b>	\$2,026	\$1,477	\$1,093
<b>Total</b>	<b>\$6,261</b>	<b>\$5,205</b>	<b>\$23,312</b>	<b>\$5,456</b>	<b>\$5,291</b>	<b>\$4,297</b>



# Revenues – Geographic & Concentration

	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>	<u>2Q08</u>	<u>3Q08</u>
Americas	60.1%	60.8%	57.6%	64.8%	66.7%
EMEA	21.3%	21.9%	24.3%	16.9%	19.3%
APAC	18.6%	17.3%	18.1%	18.3%	14.0%
Total	100%	100%	100%	100%	100%



	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>	<u>2Q08</u>	<u>3Q08</u>
Top 10 Customers	56%	60%	57%	64%	69%

# Non-GAAP Operating Expenses

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

	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY 2007	<u>Actual</u> 1Q 2008	<u>Actual</u> 2Q 2008	<u>Actual</u> 3Q 2008	<u>Forecast</u> 4Q 2008
R&D	\$7,089	\$7,076	\$28,637	\$7,751	\$8,850	\$9,378	\$9,200
S&M	\$7,473	\$7,933	\$30,613	\$8,910	\$8,573	\$8,111	\$7,900
G&A	\$2,189	\$1,727	\$7,302	\$1,658	\$1,920	\$1,888	\$1,900
<b>Total</b>	<b>\$16,751</b>	<b>\$16,736</b>	<b>\$66,552</b>	<b>\$18,319</b>	<b>\$19,343</b>	<b>\$19,377</b>	<b>\$19,000</b>

## % of revenues

	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>FY 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>3Q 2008</u>	<u>4Q 2008</u>
R&D	34.2%	31.7%	31.1%	39.5%	42.5%	43.5%	40.9%
S&M	36.1%	35.5%	33.3%	45.4%	41.1%	37.6%	35.1%
G&A	10.6%	7.7%	7.9%	8.5%	9.2%	8.8%	8.4%
<b>Total</b>	<b>80.9%</b>	<b>75.0%</b>	<b>72.4%</b>	<b>93.4%</b>	<b>92.8%</b>	<b>89.9%</b>	<b>84.4%</b>

Data excluding deferred stock compensation according to FAS-123R.

# Cash Flow

(U.S. Dollars in thousands)

	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>3Q 2008</u>
Cash & cash equivalents*	\$135,213	\$130,742	\$127,581	\$123,464	\$121,581
as percent of total assets	77%	75%	75%	74%	74%
Cash flow from operations	\$9,293	(\$231)	\$1,334	(\$354)	\$719
Capital expenditures	(\$658)	(\$244)	(\$948)	(\$917)	(\$469)
Option Exercise	\$942	\$39	\$18	\$6	\$0
Share Buyback	(\$6,268)	(\$4,035)	(\$3,565)	(\$2,852)	(\$2,133)
Net Change in Cash	\$3,309	(\$4,471)	(\$3,161)	(\$4,117)	(\$1,883)
Cash per basic share	\$6.21	\$6.09	\$6.04	\$5.98	\$6.00
# of basic shares	21,761	21,477	21,123	20,637	20,250

\*Including short term and long term investments

# Balance Sheet

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

	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>3Q 2008</u>
Inventory Days	44	35	26	22	19
Inventory	\$1,837	\$1,691	\$1,154	\$1,088	\$983
DSOs (in days)	61	61	66	68	60
Target DSOs	55	55	55	55	55
Receivables	\$13,930	\$15,011	\$14,141	\$15,627	\$14,106

# Actual Results and 4Q08 Guidelines

	3Q07a*	4Q07a*	2007a*	1Q08a*	2Q08a*	3Q08a*	4Q08f*
Revenue	\$20,708	\$22,316	\$91,583	\$19,607	\$20,845	\$21,555	\$22,500
COG	(3,925)	(4,439)	(17,883)	(4,096)	(4,534)	(4,808)	(4,900)
Gross Profit	\$16,783	\$17,877	\$73,700	\$15,511	\$16,311	\$16,747	\$17,600
	81%	80%	80%	79%	78%	78%	78%
R&D	(7,089)	(7,076)	(28,637)	(7,751)	(8,850)	(9,378)	(9,200)
S&M	(7,473)	(7,933)	(30,613)	(8,910)	(8,573)	(8,111)	(7,900)
G&A	(2,189)	(1,727)	(7,302)	(1,658)	(1,920)	(1,888)	(1,900)
Exp.	(\$16,751)	(\$16,736)	(\$66,552)	(\$18,319)	(\$19,343)	(\$19,377)	(\$19,000)
Op. Profit (loss) before reserve	\$32	\$1,141	\$7,148	(\$2,808)	(\$3,032)	(\$2,630)	(\$1,400)
Financial income	\$1,486	\$1,461	\$6,474	\$1,044	\$858	\$1,009	\$900
Tax benefit (expense)	\$122	\$1,610	\$1,790	(\$3)	\$12	(\$128)	(\$100)
Net Income (loss) before ARS & FAS123-R	\$1,640	\$4,212	\$15,412	(\$1,767)	(\$2,162)	(\$1,749)	(\$600)
ARS Write-down	\$0	\$379	\$379	\$0	\$446	\$1,070	\$0
FAS-123R Option expenses	\$1,404	\$1,380	\$5,448	\$1,304	\$1,267	\$1,688	\$1,300
Net Income (loss) after ARS & FAS123-R	\$236	\$2,453	\$9,585	(\$3,071)	(\$3,875)	(\$4,507)	(\$1,900)
No. of diluted shares	22,231	21,615	22,482	21,123	20,637	20,250	20,100
Diluted EPS(excluding FAS-123R and ARS)	\$0.07	\$0.19	\$0.69	(\$0.08)	(\$0.10)	(\$0.09)	(\$0.03)
Diluted EPS	\$0.01	\$0.11	\$0.43	(\$0.15)	(\$0.19)	(\$0.22)	(\$0.09)

(\*) Operating expenses data excluding deferred stock compensation according to FAS-123R.

---

# Thank You

---

*Adi Sfadia*

*cfo@radvision.com*

*www.radvision.com*