

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2005

RADVISION LTD.

(Name of Registrant)

24 Raoul Wallenberg Street, Tel Aviv 69719, Israel

(Address of Principal Executive Office)

**Indicate by check mark whether the registrant files or will file
annual reports under cover of Form 20-F or Form 40-F.**

Form 20-F Form 40-F

**Indicate by check mark if the registrant is submitting the Form
6-K in paper as permitted by Regulation S-T Rule 101(b)(1):**

**Indicate by check mark if the registrant is submitting the Form
6-K in paper as permitted by Regulation S-T Rule 101(b)(7):**

**Indicate by check mark whether by furnishing the information
contained in this Form, the registrant is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.**

Yes No

**If "Yes" is marked, indicate below the file number assigned to
the registrant in connection with Rule 12g3-2(b): 82- _____**

**This Form 6-K is being incorporated by reference into the Registrant's
Form S-8 Registration Statements File Nos. 333-45422, 333-53814, 333-
55130, 333-66250, 333-82488, 333-104377 and 333-116964.**

RADVISION Ltd.

6-K Items

1. RADVISION Ltd. Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Month Periods ended June 30, 2005.

ITEM 1

RADVISION LTD.

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I - Financial Information

1.

RADVISION LTD. AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2005

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except share data

	June 30, 2005	December 31, 2004
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,360	\$ 20,206
Short-term bank deposits	17,529	11,799
Short-term marketable securities	52,446	39,612
Trade receivables (net of allowance for doubtful accounts of \$1,276 at June 30, 2005 and December 31, 2004)	11,101	10,063
Other accounts receivable and prepaid expenses	2,969	3,900
Inventories	1,011	1,220
<u>Total current assets</u>	<u>101,416</u>	<u>86,800</u>
LONG-TERM ASSETS:		
Long-term bank deposits	5,143	5,384
Long-term marketable securities	20,909	33,365
Severance pay fund	2,608	2,733
<u>Total long-term assets</u>	<u>28,660</u>	<u>41,482</u>
PROPERTY AND EQUIPMENT, NET	3,035	2,647
GOODWILL	3,059	647
OTHER INTANGIBLE ASSETS, NET	4,179	306
<u>Total assets</u>	<u>\$ 140,349</u>	<u>\$ 131,882</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 1,925	\$ 1,939
Deferred revenues	7,589	7,517
Accrued expenses and other accounts payable	10,804	11,949
<u>Total current liabilities</u>	<u>20,318</u>	<u>21,405</u>
ACCRUED SEVERANCE PAY	3,597	3,701
<u>Total liabilities</u>	<u>23,915</u>	<u>25,106</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.1 par value:		
Authorized - 25,000,000 shares at June 30, 2005 and December 31, 2004; Issued - 21,130,527 and 20,569,018 shares at June 30, 2005 and December 31, 2004, respectively; Outstanding - 21,130,527 and 20,569,018 shares at June 30, 2005 and December 31, 2004, respectively	207	196
Additional paid-in capital	111,524	107,267
Retained earnings (accumulated deficit)	4,703	(687)
<u>Total shareholders' equity</u>	<u>116,434</u>	<u>106,776</u>
<u>Total liabilities and shareholders' equity</u>	<u>\$ 140,349</u>	<u>\$ 131,882</u>

The accompanying notes are an integral part of the consolidated financial statements.

RADVISION LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands, except per share data

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	*)2004
	<u>Unaudited</u>			
Revenues	\$ 17,473	\$ 15,705	\$ 33,753	\$ 29,966
Operating costs and expenses:				
Cost of revenues	3,103	3,398	5,879	6,495
Research and development	5,054	4,282	9,709	8,062
Marketing and selling	6,006	6,127	11,763	11,964
General and administrative	1,152	1,210	2,311	2,450
<u>Total operating costs and expenses</u>	<u>15,315</u>	<u>15,017</u>	<u>29,662</u>	<u>28,971</u>
Operating income	2,158	688	4,091	995
Financial income, net	768	432	1,329	844
Income before taxes on income	2,926	1,120	5,420	1,839
Taxes on income	30	-	30	-
Net income	<u>\$ 2,896</u>	<u>\$ 1,120</u>	<u>\$ 5,390</u>	<u>\$ 1,839</u>
Basic net earnings per Ordinary share	<u>\$ 0.14</u>	<u>\$ 0.06</u>	<u>\$ 0.26</u>	<u>\$ 0.09</u>
Diluted net earnings per Ordinary share	<u>\$ 0.13</u>	<u>\$ 0.05</u>	<u>\$ 0.24</u>	<u>\$ 0.09</u>

*) Restated (see Note 1c).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,	
	2005	*)2004
	<u>Unaudited</u>	
<u>Cash flows from operating activities:</u>		
Net income	\$ 5,390	\$ 1,839
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & Amortization	1,234	1,114
Gain on sale of property and equipment	(13)	(3)
Accrued interest and amortization of premium on held-to-maturity marketable securities and bank deposits	347	1,147
Increase in trade receivables, net	(1,038)	(491)
Decrease (increase) in other receivables and prepaid expenses	1,005	(581)
Decrease in inventories	209	2
Increase (decrease) in trade payables	(14)	152
Increase (decrease) in deferred revenues	22	2,970
Increase (decrease) severance pay, net	21	(132)
Decrease in accrued expenses and other accounts payable	(1,445)	(823)
Net cash provided by operating activities	<u>5,718</u>	<u>5,194</u>
<u>Cash flows from investing activities:</u>		
Proceeds from redemption of held-to-maturity marketable securities	8,756	21,430
Purchase of held-to-maturity marketable securities	(9,470)	(21,356)
Proceeds from withdrawal of bank deposits	9,251	17,044
Purchase of bank deposits	(14,751)	(19,149)
Purchase of property and equipment	(1,084)	(1,243)
Proceeds from sale of property and equipment	19	13
Purchase of FVC's assets, net (1)	(7,001)	-
Net cash used in investing activities	<u>(14,280)</u>	<u>(3,261)</u>
<u>Cash flows from financing activities:</u>		
Issuance of treasury stock for cash upon exercise of options by employees	-	2,104
Issuance of Ordinary shares due to exercise of options by employees	4,716	-
Net cash provided by financing activities	<u>4,716</u>	<u>2,104</u>
Increase (decrease) in cash and cash equivalents	(3,846)	4,037
Cash and cash equivalents at beginning of period	<u>20,206</u>	<u>16,433</u>
Cash and cash equivalents at end of period	<u>\$ 16,360</u>	<u>\$ 20,470</u>

*) Restated (see Note 1c).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2005	*)2004
	Unaudited	
<u>Supplemental disclosure of non-cash flow from investing and financing activities:</u>		
Issuance of Ordinary shares upon sale of treasury stock	\$ -	\$ (87)
Loss on issuance of Ordinary shares upon sale of treasury stock	\$ -	\$ 837
Receivables on account of shares	\$ 27	\$ -

*) Restated (see Note 1c).

(1) Supplement disclosure of cash flow information:

In March 2005, the Company acquired the assets of First Virtual Communication Inc. ("FVC"). The net fair value of the assets acquired and the liabilities assumed at the date of acquisition was as follows:

Working capital, excluding cash and cash equivalents	\$ 172
Property and equipment	57
Technology	3,295
Distribution network	1,065
Goodwill	2,412
	\$ 7,001

The accompanying notes are an integral part of the consolidated financial statements.

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

- a. Radvision Ltd. ("the Company"), an Israeli corporation, designs, develops and supplies products and technology that enable real-time voice, video and data communications over packet networks, including the internet and other networks based on the Internet Protocol.

The Company's products and technology are used by its customers to develop systems that enable enterprises and service providers to use packet networks for real-time IP ("Internet Protocol") communications.

The Company operates under two reportable segments: 1) the "Networking" business unit (or "NBU"), which focuses on a networking product and is responsible for developing networking products for IP-centric voice, video and data conferencing services; and 2) the "Technology" business unit (or "TBU"), which focuses on creating developer toolkits for the underlying IP communication protocols and testing tools needed for real-time voice and video over IP.

The Company has six wholly-owned subsidiaries: Radvision Inc. in the United States, Radvision HK in Hong Kong, Radvision U.K. in the United Kingdom, Radvision Japan KK in Japan that are primarily engaged in selling and marketing the Company's products and technology, Radvision Communication Development (Beijing) Co. Ltd. in China that is primarily engaged in research and development, and Radvision B.V., in the Netherlands that is a holding company.

- b. Acquisition of assets of First Virtual Communication Inc.:

Following a bidding process held under the supervision of a United States Bankruptcy Court, the Company acquired substantially all of the assets of First Virtual Communications and its wholly-owned subsidiary, CUseeMe Networks, Inc. on an "as is" basis on March 15, 2005. FVC creates leading software products that enable interactive voice, video and data collaboration over IP-based networks. The transaction was carried out by a cash purchase price of \$ 7,496 including transaction costs.

The acquisition was accounted under the purchase method of accounting. Accordingly, all assets and liabilities were recorded at their estimated market values as of the date acquired, and results of FVC's operations have been included in the consolidated financial statements commencing from the date of acquisition

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (Cont.)

Based upon a preliminary valuation of tangible and intangible assets acquired, the Company has allocated the total cost of the acquisition to FVC net assets as follows:

Tangible assets acquired (including cash and cash equivalents)	\$ 724
Intangible assets:	
Technology	3,295
Distribution networks	1,065
Goodwill	<u>2,412</u>
Total consideration	<u>\$ 7,496</u>

c. Restatement of previously-issued financial statements:

As described in Note 13 to the annual financial statements and in Form 20-F for the year ended December 31, 2004, in January 2001, the Company entered into a lease agreement with related parties for a period of five years. Subsequently, the Company surrendered the property before inception of the lease. The parties to the lease agreement disputed the extent of damages caused by this action and agreed to proceed to binding arbitration. The presiding arbitrator issued his ruling on February 12, 2004, stating the amount the Company owed was \$ 400. The Company had previously accrued a liability of \$1,461 in respect of the aforementioned dispute.

Prior to the issuance of the arbitration ruling, the Company had announced its 2003 financial results, but had not yet filed its annual report on Form 10-K for the year ended December 31, 2003.

In the 2003 audited financial statements the arbitration ruling was treated as a "Type II" event as defined in AU 560 of the PCAOB auditing standards ("AU 560") and, accordingly full disclosure concerning the event was provided in the 2003 audited financial statements while no revision was made to the \$1,461 accrual.

In the process of preparing the financial statements for the year ended December 31, 2004, the accounting treatment relating to this event was reconsidered and consequently it was concluded that the arbitration ruling issued on February 14, 2004 represents a "Type I" event according to AU 560, due to the fact that the above ruling, which became available subsequent to the period covered by the 2003 financial statements, but before issuance of such financial statements, provided additional evidence with respect to conditions that existed on December 31, 2003 and affected estimates used in preparing the 2003 financial statements. Consequently, the estimated provision relating to the aforementioned dispute is being revised from \$ 1,461 to \$ 400 in the 2003 fiscal year and the financial statements are being restated accordingly.

As a result of this restatement, the Company recorded restructuring income of \$ 1,061 in the year ended December 31, 2003, resulting in increased net income and decreased accrued expenses in that amount.

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (Cont.)

The impact of the aforementioned restatement with respect to the financial statements as of June 30, 2004 and for the six month period then ended is summarized below:

Statement of income data:

	Six months ended June 30, 2004 (unaudited)		
	Previously reported	Adjustment	As restated
Restructuring income	\$ 1,061	\$ (1,061)	\$ -
Operating income	\$ 2,056	\$ (1,061)	\$ 995
Net income	\$ 2,900	\$ (1,061)	\$ 1,839
Basic net earnings per Ordinary share	\$ 0.15	\$ (0.06)	\$ 0.09
Basic and diluted net loss per Ordinary share	\$ 0.13	\$ (0.04)	\$ 0.09

Cash flow data:

	Six months ended June 30, 2004 (unaudited)		
	Previously reported	Adjustment	As restated
Net income	\$ 2,900	\$ (1,061)	\$ 1,839
Restructuring income	\$ 1,061	\$ (1,061)	\$ -
Net cash provided by operating activities	\$ 5,194	\$ -	\$ 5,194

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (Cont.)

d. New accounting pronouncements:

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment" ("Statement No. 123R"), which is a revision of Statement No. 123 and supersedes APB No. 25. The Statement addresses the accounting for transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. The Statement eliminates the ability to account for share-based compensation transactions using APB No. 25, and generally would require instead that such transactions be accounted for using a grant date fair-value based method. Companies will now be required to recognize an expense for compensation cost related to share-based payment arrangements including stock options and employee stock purchase plans. In March 2005, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"), which provided further clarification on the implementation of Statement No. 123R. In April 2005, the SEC announced a deferral of the effective date of Statement No. 123R for calendar year companies until January 1, 2006. It is expected that the new rules of Statement No. 123R will be applied on a modified perspective basis. The Company is currently evaluating option valuation methodologies and assumptions in light of Statement No. 123R and SAB 107. Current estimates of option values using the Black-Scholes method (as shown above) may not be indicative of results from valuation methodologies ultimately adopted by the Company.

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2004 are applied consistently in these financial statements.

a. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

b. For further information, refer to the consolidated financial statements as of December 31, 2004.

c. Accounting for stock-based compensation:

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25") and FASB No. Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation" ("FIN No. 44") in accounting for its employee stock option plans. Under APB No. 25, when the exercise price of the Company's stock options is less than the market price of the underlying shares on the date of grant, compensation expense is recognized.

Under Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), pro forma information regarding net income and net earnings per share is required, and has been determined as if the Company had accounted for its employee stock options under the fair value method of SFAS No. 123. The fair value for these options is amortized over their vesting period and estimated at the date of grant using a Black - Scholes Option Valuation Model with the following weighted-average assumptions for the six months and three months ended June 30, 2005 and 2004:

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	Unaudited			
Risk free interest	3.81%	3.81%	3.83%	3.22%
Dividend yields	0%	0%	0%	0%
Volatility	0.392	0.432	0.391	0.435
Expected life	3	4	3	4

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Pro forma information under SFAS No. 123:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004	2005	*) 2004
	Unaudited			
Net income as reported	\$ 2,896	\$ 1,120	\$ 5,390	\$ 1,839
Deduct - stock-based compensation expense determined under fair value method for all awards	<u>814</u>	<u>862</u>	<u>1,705</u>	<u>1,732</u>
Pro forma net income	<u>\$ 2,082</u>	<u>\$ 258</u>	<u>\$ 3,685</u>	<u>\$ 107</u>
Basic net earnings per Ordinary share, as reported	<u>\$ 0.14</u>	<u>\$ 0.06</u>	<u>\$ 0.26</u>	<u>\$ 0.09</u>
Pro forma basic net earnings per Ordinary share	<u>\$ 0.10</u>	<u>\$ 0.01</u>	<u>\$ 0.18</u>	<u>\$ 0.01</u>
Diluted net earnings per Ordinary share as reported	<u>\$ 0.13</u>	<u>\$ 0.05</u>	<u>\$ 0.24</u>	<u>\$ 0.09</u>
Pro forma diluted net earnings per Ordinary share	<u>\$ 0.10</u>	<u>\$ 0.01</u>	<u>\$ 0.17</u>	<u>\$ 0.01</u>

*) Restated (see Note 1c).

NOTE 3:- UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2005, are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2005.

NOTE 4:- INVENTORIES

	June 30,	December 31,
	2005	2004
	Unaudited	Audited
Raw materials	\$ 819	\$ 1,091
Finished products	<u>192</u>	<u>129</u>
	<u>\$ 1,011</u>	<u>\$ 1,220</u>

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5:- ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

	June 30, 2005	December 31, 2004
	Unaudited	Audited
Employees and employee accruals	\$ 2,657	\$ 2,408
Accrued expenses	8,147	9,541
	\$ 10,804	\$ 11,949

NOTE 6:- SEGMENTS AND CUSTOMER INFORMATION

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	Unaudited			
Revenues:				
NBU	\$ 11,891	\$ 11,298	\$ 22,616	\$ 21,464
TBU	5,582	4,407	11,137	8,502
<u>Total revenues</u>	<u>\$ 17,473</u>	<u>\$ 15,705</u>	<u>\$ 33,753</u>	<u>\$ 29,966</u>
Cost of revenues:				
NBU	\$ 2,724	\$ 3,077	\$ 5,144	\$ 5,904
TBU	379	321	735	591
<u>Total cost of revenues</u>	<u>\$ 3,103</u>	<u>\$ 3,398</u>	<u>\$ 5,879</u>	<u>\$ 6,495</u>

RADVISION LTD. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7:- EARNINGS PER SHARE

The following table sets forth the calculation of basic and diluted earnings per share:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004	2005	*)2004
	Unaudited			
Numerator:				
Net income	<u>\$ 2,896</u>	<u>\$ 1,120</u>	<u>\$ 5,390</u>	<u>\$ 1,839</u>
Number of shares:				
Denominator:				
Weighted average number of Ordinary shares outstanding during the year used to compute basic net earnings per share	20,994,973	19,710,729	20,854,595	19,597,463
Incremental shares attributable to exercise of outstanding options (assuming proceeds would be used to purchase treasury stock)	<u>1,025,973</u>	<u>1,689,675</u>	<u>1,172,473</u>	<u>1,886,131</u>
Weighted average number of Ordinary shares used to compute diluted net earnings per share	<u>22,020,946</u>	<u>21,400,404</u>	<u>22,027,068</u>	<u>21,483,594</u>
Basic earnings per share	<u>\$ 0.14</u>	<u>\$ 0.06</u>	<u>\$ 0.26</u>	<u>\$ 0.09</u>
Diluted earnings per share	<u>\$ 0.13</u>	<u>\$ 0.05</u>	<u>\$ 0.24</u>	<u>\$ 0.09</u>

*) Restated (see Note 1c).

2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the condensed consolidated financial statements and notes included in the Condensed Consolidated Financial Statements for the Three and Six Months ended June 30, 2005 above and the audited financial statements and notes thereto and Item 5. Operating And Financial Review And Prospects contained in our 2004 Annual Report on Form 20-F. The discussion and analysis which follows may contain trend analysis and other "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, and within the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements reflect our current views with respect to future events and financial results. These include statements regarding our earnings, projected growth and forecasts, and similar matters that are not historical facts. Forward-looking statements usually include the verbs, "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," "understands" and other verbs suggesting uncertainty. We remind shareholders that forward-looking statements are merely predictions and therefore are inherently subject to uncertainties and other factors that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to differ materially from those expressed or implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. We have attempted to identify additional significant uncertainties and other factors affecting forward-looking statements in the section entitled "Risk Factors" and elsewhere in our 2004 Annual Report on Form 20-F.

Overview

We are the industry's leading provider of high quality, scalable and easy-to-use products and technologies for videoconferencing, video telephony, and the development of converged voice, video and data over Internet Protocol, or IP, and 3G networks. We have approximately 420 customers worldwide including Alcatel, Cisco, FastWeb, NTT/DoCoMo, Philips, Panasonic, Samsung, Shanghai Bell, Siemens, Sony and Tandberg. Hundreds of thousands of end-users around the world today communicate over a wide variety of networks using products and solutions based on or built around our multimedia communication platforms and software development solutions.

In the beginning of 2001, we created two separate business units corresponding to our two product lines to enable our product development and product marketing teams to respond quickly to evolving market needs with new product introductions.

Our Networking Business Unit, or NBU, offers one of the broadest and most complete set of multimedia communication and videoconferencing network solutions for IP, ISDN, SIP and 3G-based networks, supporting most end points in the industry today. These products are sold primarily to resellers and OEMs who use this infrastructure to develop and install advanced IP and ISDN-based communication systems for enterprise customers. The NBU also provides service providers, both 3G wireless and wireline, with integrated solutions that enable the

delivery of converged IP-based multimedia streaming and video telephony applications to corporate customers as a managed service, residential broadband customers, and 3G subscribers worldwide.

Our Technology Business Unit, or TBU, is a one-stop shop of voice and video over IP and 3G Development toolkits. The TBU provides protocol development tools and platforms, as well as associated solutions such as testing platforms and IP phone toolkits that enable equipment vendors and service providers to develop and deploy new IP and 3G-based converged networks, services, and technologies. Our TBU also provides professional services to our customers, assisting them with integrating our technology into their products. RADVISION's TBU solutions include developer toolkits for SIP, MEGACO/H.248, MGCP, H.323, and 3G-324M. It also includes RADVISION's ProLab™ Test Management Suite and IP phone toolkit. Today you may find RADVISION toolkits implemented in a wide range of environments from chipsets to simple user devices like IP phones, and from integrated video systems through carrier class network devices like gateways, switches, soft switches and 3G multimedia gateways.

Following a bidding process held under the supervision of a United States Bankruptcy Court, we acquired substantially all of the assets of First Virtual Communications, Inc, or FVC, and its wholly owned subsidiary, CUseeMe Networks, Inc. on an "as is" basis. The transaction closed on March 15, 2005. The transaction, provided for a cash purchase price of \$7,150,000. We have hired approximately thirty-one former employees of FVC that were based in Nashua, New Hampshire and hired the former Chief Executive Officer of FVC on a consulting basis. The newly hired employees are involved in marketing, selling and supporting the acquired FVC products. We acquired leading software products that enable interactive voice, video and data collaboration over IP-based networks. The products provide cost-effective, integrated end-to-end solutions for large-scale deployments from the desktop to the conference room and also enable best-of-breed collaborative conferencing solutions to be extended to ISDN and ATM networks. FVC's Click to Meet™ product provides integrated and scalable desktop conferencing solutions. Click to Meet products are fully integrated with a single software architecture consisting of the Conference Server, the Conference Client and the Middleware to tie them together. Click to Meet products are widely deployed worldwide and offer a robust set of functionalities.

Our Strategy

Our goal is to be the leading provider of solutions that enable real-time multimedia (voice, video and data) collaboration and communication over packet networks. We provide solutions at every level – protocol developer toolkits, professional services, network infrastructure, as well as integrated solutions that compliment the communication solutions of other vendors such as those from Cisco, Sony, Microsoft and Alcatel. We believe that the combination of offering IP-centric networking products, along with software toolkits, positions us as a key enabling vendor in the evolution of IP communications. Both of our product lines are essential for building IP networks that support real time voice and video communication with full interoperability with legacy ISDN/PSTN networks and technologies.

Results of Operations

The following table presents, as a percentage of total revenues, condensed statements of operations data for the periods indicated:

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	*)2004
	Unaudited			
Revenues	100%	100%	100%	100%
Operating costs and expenses:				
Cost of revenues	17.8	21.6	17.4	21.7
Research and development.....	28.9	27.3	28.8	26.9
Marketing and selling.....	34.4	39.0	34.9	39.9
General and administrative.....	6.6	7.7	6.8	8.2
Total operating expenses.....	87.7	95.6	87.9	96.7
Operating Income	12.3	4.4	12.1	3.3
Financial income, net.....	4.4	2.8	3.9	2.8
Net income.....	16.7	7.2	16.0	6.1

*) Restated (see Note 1c to the financial statements).

Three Months Ended June 30, 2005 Compared with Three Months Ended June 30, 2004

Revenues. We generate revenues from sales of our networking products that are primarily sold in the form of stand-alone products, and our technology products that are primarily sold in the form of software development kits, as well as related maintenance and support services. We generally recognize revenues from the sale of our products upon shipment and when collection is probable. Revenues generated from maintenance and support services are deferred and recognized ratably over the period of the term of service. We price our networking products on a per unit basis, and grant discounts based upon unit volumes. We price our software development kits on the basis of a fixed-fee plus royalties from products developed using the software development kits. We sell our products and technology through direct sales and various indirect distribution channels in the Americas, Europe, and Asia Pacific.

Our revenues increased from \$15.7 million for the three months ended June 30, 2004 to \$17.5 million for the three months ended June 30, 2005. This increase was due to a \$1.2 million increase in sales of our technology products and a \$600,000 increase in sales of our networking products. The results reflect increased sales in the Americas and Asia Pacific.

Revenues from networking products increased from \$11.3 million for the three months ended June 30, 2004 to \$11.9 million for the three months ended June 30, 2005, an increase of \$600,000 or 5.2%.

Revenues from technology products increased from \$4.4 million for the three months ended June 30, 2004 to \$5.6 million for the three months ended June 30, 2005. Revenues from licenses increased from \$1.8 million in the three months ended June 30, 2004 to \$2.7 million in the three months ended June 30, 2005. Maintenance revenues increased from \$1.1 million in the three months ended June 30, 2004 to \$1.6 million in the three months ended June 30, 2005. Revenues

from royalties decreased from \$900,000 in the three months ended June 30, 2004 to \$850,000 in the three months ended June 30, 2005. Revenues from professional services with respect to research and development decreased from \$440,000 in the three months ended June 30, 2004 to \$210,000 in the three months ended June 30, 2005.

Revenues from sales to customers in the Americas increased from \$7.6 million, or 48.6% of revenues, for the three months ended June 30, 2004 to \$8.9 million, or 50.7% of revenues for the three months ended June 30, 2005, an increase of \$1.3 million, or 17.1%. This increase in sales to customers in the Americas was primarily attributable to increased sales to non-Cisco channels, revenues from technology products and due to revenues from Click to Meet.

Revenues from sales to customers in Europe and the Middle East decreased from \$5.4 million for the three month period ended June 30, 2004, or 34.2% of revenues, to \$5 million, or 28.3% of revenues, for the three months ended June 30, 2005.

Revenues from sales to customers in the Asia Pacific region increased from \$2.5 million, or 16.2% of revenues, for the three months ended June 30, 2004 to \$3.7 million, or 21.1% of revenues, for the three months ended June 30, 2005, an increase of 1.2 million or 48% due to strong growth and increased market demand for our NBU products, particularly in Korea and Taiwan.

Cost of Revenues. Cost of revenues decreased from \$3.4 million for the three month period ended June 30, 2004 to \$3.1 million for the three months ended June 30, 2005, a decrease of \$300,000, or 8.7%. Gross profit as a percentage of revenues increased from 78.4% for the three months ended June 30, 2004 to 82.2% for the three months ended June 30, 2005, due to the increased proportion of TBU product sales that have higher profit margins and due to a different mix of NBU product sales.

Research and Development. Research and development expenses increased from \$4.3 million for the three months ended June 30, 2004 to \$5.1 million for the three months ended June 30, 2005, an increase of \$800,000 or 18.0%. This increase was primarily attributable to an increase in the number of research and development personnel, mainly due to the FVC acquisition.

Marketing and Selling. Marketing and selling expenses decreased from \$6.1 million for the three months ended June 30, 2004 to \$6.0 million for the three months ended June 30, 2005, a decrease of \$100,000 or 2.0%. Marketing and selling expenses as a percentage of revenues decreased from 39.0% for the three months ended June 30, 2004 to 34.4% for the three months ended June 30, 2005. We decreased our marketing and selling expenses in the Asia Pacific region, where we streamlined operations, reduced the number of distributors and initiated direct sales to some accounts, thereby reducing commission expenses.

General and Administrative. General and administrative expenses remained constant at about \$1.2 million for the three months ended June 30, 2004 and 2005. General and administrative expenses as a percentage of revenues decreased from 7.7% for the three months ended June 30, 2004 to 6.6% for the three months ended June 30, 2005.

Operating Income. Our operating income increased from \$700,000 for the three months ended June 30, 2004 to \$2.2 million for the three months ended June 30, 2005.

Financial Income. We recorded financial income of \$450,000 for the three months ended June 30, 2004 compared to \$800,000 for the three months ended June 30, 2005. This income was principally derived from the investment of the proceeds of our March 2000 initial public offering, cash generated from operating activities and exercise of options by employees. Our financial income increased principally as a result of higher prevailing interest rates.

Six Months Ended June 30, 2005 Compared with Six Months Ended June 30, 2004

Revenues. Our revenues increased from \$30.0 million for the six months ended June 30, 2004 to \$33.8 million for the six months ended June 30, 2005. This increase was due to a \$2.6 million increase in sales of our technology products and a \$1.2 million increase in sales of our networking products. The result reflects better than expected sales with increased sales in the Americas, Europe, the Middle East and Asia Pacific.

Revenues from networking products increased from \$21.5 million for the six months ended June 30, 2004 to \$22.6 million for the six months ended June 30, 2005, an increase of \$1.1 million or 5.1%.

Revenues from technology products increased from \$8.5 million for the six months ended June 30, 2004 to \$11.1 million for the six months ended June 30, 2005. Revenues from licenses increased from \$3.6 million in the six months ended June 30, 2004 to \$5.3 million in the six months ended June 30, 2005. Maintenance revenues increased from \$2.1 million in the six months ended June 30, 2004 to \$3.2 million in the six months ended June 30, 2005. Revenues from royalties remain constant at about \$1.8 million in the six months ended June 30, 2004 and 2005. Revenues from professional services with respect to research and development decreased from \$850,000 in the six months ended June 30, 2004 to \$750,000 in the six months ended June 30, 2005.

Revenues from sales to customers in the Americas increased from \$15.4 million, or 51.4% of revenues, for the six months ended June 30, 2004 to \$17.0 million, or 50.4% of revenues for the six months ended June 30, 2005, an increase of \$1.6 million, or 10.4%. This increase in sales to customers in the Americas was primarily attributable to increased sales to non-Cisco channels, revenues from technology products and revenues from Click to Meet.

Revenues from sales to customers in Europe and the Middle East increased from \$9.3 million for the six month period ended June 30, 2004, or 31.1% of revenues, to \$9.6 million, or 28.4% of revenues, for the six months ended June 30, 2005.

Revenues from sales to customers in the Asia Pacific region increased from \$4.9 million, or 16.2% of revenues, for the six months ended June 30, 2004 to \$6.8 million, or 20.2% of revenues, for the six months ended June 30, 2005, an increase of \$1.9 million or 38.8% due to strong growth and increased market demand for our NBU products, particularly in China, Korea and Taiwan.

Cost of Revenues. Cost of revenues decreased from \$6.5 million for the six month period ended June 30, 2004 to \$5.9 million for the six months ended June 30, 2005, a decrease of \$600,000, or 9.5%. Gross profit as a percentage of revenues increased from 78.3% for the six months ended June 30, 2004 to 82.6% for the six months ended June 30, 2005, due to the increased proportion

of TBU product sales that have higher profit margins and due to a different mix of NBU product sales.

Research and Development. Research and development expenses increased from \$8.1 million for the six months ended June 30, 2004 to \$9.7 million for the six months ended June 30, 2005, an increase of \$1.6 million or 20.4%. This increase was primarily attributable to an increase in the number of research and development personnel.

Marketing and Selling. Marketing and selling expenses decreased from \$12.0 million for the six months ended June 30, 2004 to \$11.8 million for the six month ended June 30, 2005. Marketing and selling expenses as a percentage of revenues decreased from 39.9% for the six months ended June 30, 2004 to 34.9% for the six months ended June 30, 2005. We decreased our marketing and selling expenses in the Asia Pacific region, where we streamlined operations, reduced the number of distributors and initiated direct sales to some accounts, thereby reducing commission expenses.

General and Administrative. General and administrative expenses decreased from \$2.4 million for the six months ended June 30, 2004 to \$2.3 million for the six months ended June 30, 2005, a decrease of \$100,000 or 5.8%. General and administrative expenses as a percentage of revenues were 8.2% for the six months ended June 30, 2004 and 6.8% for the six months ended June 30, 2005.

Operating Income. Our operating income increased from \$1.0 million for the six months ended June 30, 2004 to \$4.1 million for the six months ended June 30, 2005.

Financial Income. We recorded financial income of \$850,000 for the six months ended June 30, 2004 compared to \$1.3 million for the six months ended June 30, 2005. This income was principally derived from the investment of the proceeds of our March 2000 initial public offering and exercise of options by employees. Our financial income increased principally as a result of higher prevailing interest rates.

Liquidity and Capital Resources

We generated \$5.7 million from operating activities for the six months ended June 30, 2005 compared to \$5.2 million in the same period in 2004. This amount was primarily attributable to net income of \$5.4 million, a \$1.5 million decrease in other receivables prepaid expenses accrued interest and inventories, and depreciation and amortization expenses of \$1.2 million. These increases in cash generated by our operating activities were offset in part by a \$1.4 million decrease in other payables, deferred revenues and accrued expenses and \$1.0 million increase in trade receivables.

Net cash used in investing activities was approximately \$14.3 million for the six months ended June 30, 2005. Of the cash used in investing activities during the six months ended June 30, 2005, \$7.0 million was used to acquire substantially all of the assets of FVC and its wholly owned subsidiary, CUseeMe Networks, Inc. on March 15, 2005, \$6.2 million, net was used for purchases of bank deposits and marketable securities and \$1.1 million was used for purchases of property and equipment.

Our financing activities generated \$4.7 million for the six months ended June 30, 2005 compared to \$2.1 million in the same period in 2004. This amount is attributable to proceeds received from the exercise of employee stock options.

Our capital requirements are dependent on many factors, including market acceptance of our products and the allocation of resources to our research and development efforts, as well as our marketing and sales activities. We plan to pursue strategic initiatives and make operating investments in 2005 as we position our company to realize on what we perceive to be increasing market opportunities in the coming years. We anticipate that our cash resources will be used primarily to fund our operating activities, as well as for capital expenditures. We may establish additional operations as we expand globally

Off-Balance Sheet Arrangements

We are not a party to any material off-balance sheet arrangements. In addition, we have no unconsolidated special purpose financing or partnership entities that are likely to create material contingent obligations.

Third Quarter 2005 Guidance

Third quarter net sales are expected to be approximately \$18.5 million, an increase of approximately \$1.8 million, or 10.8%, compared with the third quarter of 2004.

- Net income is expected to increase to approximately \$3.4 million or \$0.15 per diluted share, a 243% increase compared with the third quarter of 2004.

These projections are subject to substantial uncertainty that could cause our future results to differ materially from the guidance we have provided.

3. Quantitative And Qualitative Disclosure About Market Risks

We are exposed to a variety of risks, including changes in interest rates and foreign currency fluctuations.

Interest Rate Risk

As of June 30, 2005, we had cash and cash equivalents and short-term investments of \$112.4 million. We invest our cash surplus in time deposits, cash deposits, U.S. federal agency securities and corporate bonds with an average credit rating of AA. These investments are not purchased for trading or other speculative purposes. Due to the nature of these investments, we believe that we do not have a material exposure to market risk.

Our exposure to market risks for changes in interest rates is limited since we do not have any material indebtedness.

Foreign Currency Exchange Risk

We develop products in Israel and sell them in the Americas, Asia and several European countries. As a result our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets.

Our foreign currency exposure with respect to our sales is mitigated, and we expect it will continue to be mitigated, through salaries, materials and support operations, in which part of these costs are denominated in NIS.

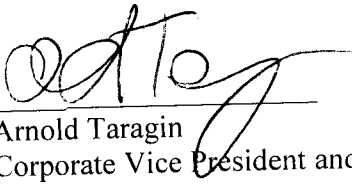
Since the beginning of 2005, the NIS has devaluated approximately 6.1% against the dollar. The inflation rate in Israel was approximately 0.5% in the first six months of 2005 compared to an annual inflation rate of 1.2% in 2004 and to an annual deflation rate of 1.9% in 2003.

Since most of our sales are quoted in dollars, and a portion of our expenses are incurred in NIS, our results may be adversely affected by a change in the rate of inflation in Israel or if such change in the rate of inflation is not offset, or is offset on a lagging basis, by a corresponding devaluation of the NIS against the dollar and other foreign currencies.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RADVISION LTD.
(Registrant)

By 
Arnold Taragin
Corporate Vice President and General Counsel

Date: August 18, 2005