



**RADVISION**<sup>®</sup>

Delivering the Visual Experience<sup>®</sup>

# Delivering Visual Communications

## 4Q09 Financial Review

February 2010

This presentation is designed to accompany  
the information given on the  
RADVISION Q4 2009 Earnings  
Conference Call on February 3, 2010.

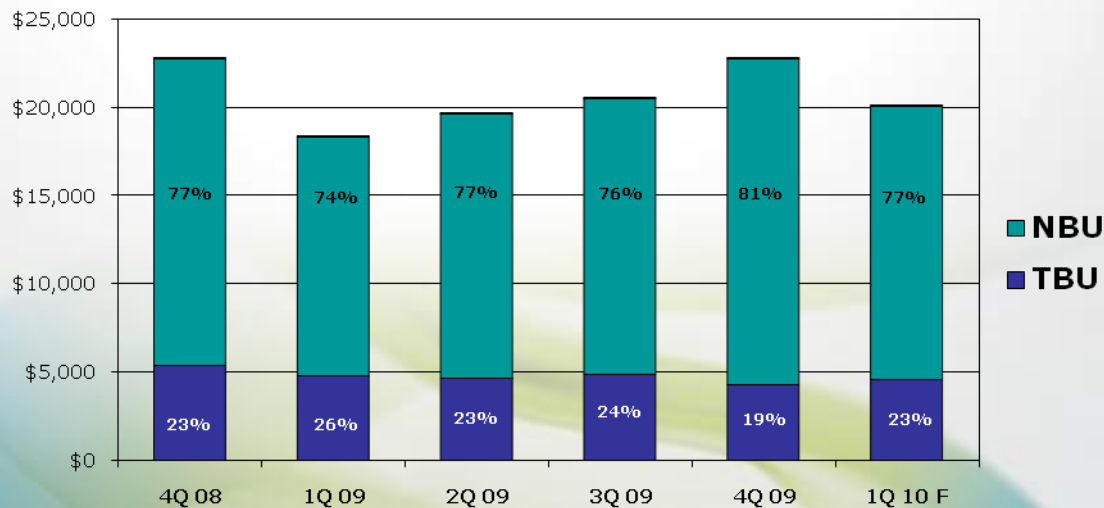
This presentation contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the industry, changes in demand for products, 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 (MCUs, 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)**
  - 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

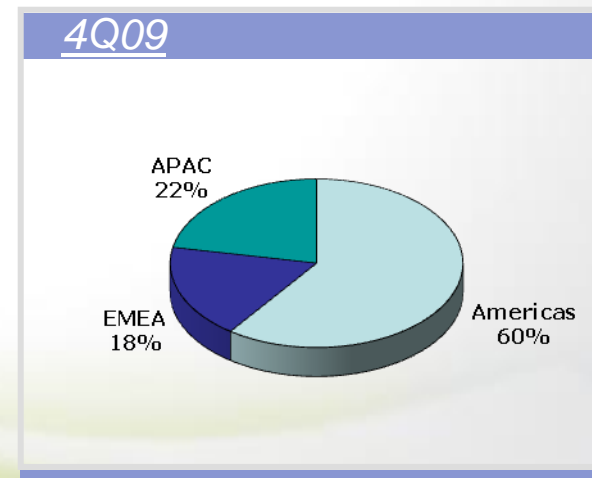
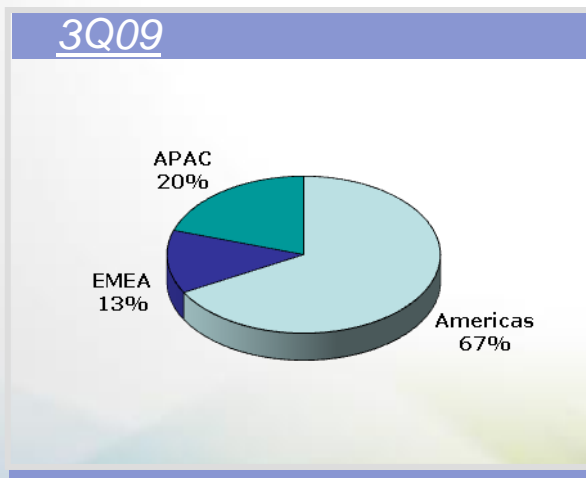
# Revenues - General

	<u>Actual</u> 4Q 2008	<u>Actual</u> FY2008	<u>Actual</u> 1Q 2009	<u>Actual</u> 2Q 2009	<u>Actual</u> 3Q 2009	<u>Actual</u> 4Q 2009	<u>Actual</u> FY2009	<u>Forecast</u> 1Q 2010
TBU	\$5,324	\$20,368	\$4,745	\$4,586	\$4,825	\$4,258	\$18,414	\$4,500
NBU	\$17,416	\$64,379	\$13,554	\$14,996	\$15,604	\$18,430	\$62,584	\$15,500
<b>Total</b>	<b>\$22,740</b>	<b>\$84,747</b>	<b>\$18,299</b>	<b>\$19,582</b>	<b>\$20,429</b>	<b>\$22,688</b>	<b>\$80,998</b>	<b>\$20,000</b>
Gross Margin	78.3%	78.3%	78.1%	78.9%	79.3%	79.5%	79.0%	76.0%



## Revenues – Geographic & Concentration

	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<u>3Q09</u>	<u>4Q09</u>
Americas	56.5%	51.8%	70.3%	66.9%	60.4%
EMEA	20.0%	26.4%	13.9%	13.3%	17.9%
APAC	23.5%	21.8%	15.8%	19.8%	21.7%
Total	100%	100%	100%	100%	100%



	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<u>3Q09</u>	<u>4Q09</u>
Top 10 Customers	56%	63%	69%	70%	64%

## Non-GAAP Operating Expenses

	<u>Actual</u> 4Q 2008	<u>Actual</u> FY 2008	<u>Actual</u> 1Q 2009	<u>Actual</u> 2Q 2009	<u>Actual</u> 3Q 2009	<u>Actual</u> 4Q 2009	<u>Actual</u> FY 2009	<u>Forecast</u> 1Q 2010
R&D	\$9,209	\$35,188	\$6,707	\$6,361	\$6,330	\$6,254	\$25,652	\$7,350
S&M	\$7,895	\$33,490	\$6,657	\$6,480	\$6,293	\$6,505	\$25,935	\$7,500
G&A	\$1,786	\$7,252	\$1,114	\$1,066	\$1,133	\$1,157	\$4,470	\$1,300
<b>Total</b>	<b>\$18,890</b>	<b>\$75,930</b>	<b>\$14,478</b>	<b>\$13,907</b>	<b>\$13,756</b>	<b>\$13,916</b>	<b>\$56,057</b>	<b>\$16,150</b>

### % of revenues

	<u>4Q 2008</u>	<u>FY 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>	<u>FY 2009</u>	<u>1Q 2010</u>
R&D	40.5%	41.5%	36.7%	32.5%	31.0%	27.6%	31.7%	36.8%
S&M	34.7%	39.5%	36.4%	33.1%	30.8%	28.7%	32.0%	37.5%
G&A	7.9%	8.6%	6.1%	5.4%	5.5%	5.1%	5.5%	6.5%
<b>Total</b>	<b>83.1%</b>	<b>89.6%</b>	<b>79.1%</b>	<b>71.0%</b>	<b>67.3%</b>	<b>61.3%</b>	<b>69.2%</b>	<b>80.8%</b>

## Cash Flow

(U.S. Dollars in thousands)

	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>
Cash & cash equivalents*	\$121,253	\$117,677	\$118,128	\$119,971	\$126,053
as percent of total assets	75%	75%	74%	74%	78%
Cash flow from operations	\$2,939	(\$2,114)	\$949	\$2,505	\$6,257
Capital expenditures	(\$683)	(\$320)	(\$510)	(\$679)	(\$592)
Option Exercise	\$5	\$0	\$12	\$17	\$417
Share Buyback	(\$2,589)	(\$1,142)	\$0	\$0	\$0
Net Change in Cash	(\$328)	(\$3,576)	\$451	\$1,843	\$6,082
Cash per basic share	\$6.10	\$6.01	\$6.08	\$6.17	\$6.47
# of basic shares	19,876	19,564	19,429	19,432	19,471

\*Including short term and long term investments

## Balance Sheet

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

	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>
Inventory Days	22	19	25	31	19
Inventory	\$1,185	\$824	\$1,119	\$1,450	\$980
DSOs (in days)	57	68	73	56	47
Target DSOs	55	55	55	55	55
Receivables	\$14,118	\$13,640	\$15,651	\$12,476	\$11,712

## Actual Results and 1Q10 Guidelines

	4Q08a*	2008a*	1Q09a*	2Q09a*	3Q09a*	4Q09a*	2009a*	1Q10f*
Revenue	\$22,740	\$84,747	\$18,299	\$19,582	\$20,429	\$22,688	\$80,998	\$20,000
COG	(4,941)	(18,379)	(4,016)	(4,141)	(4,222)	(4,661)	(17,040)	(4,800)
Gross Profit	\$17,799	\$66,368	\$14,283	\$15,441	\$16,207	\$18,027	\$63,958	\$15,200
	78%	78%	78%	79%	79%	79%	79%	76%
R&D	(9,209)	(35,188)	(6,707)	(6,361)	(6,330)	(6,254)	(25,652)	(7,350)
S&M	(7,895)	(33,490)	(6,657)	(6,480)	(6,293)	(6,505)	(25,935)	(7,500)
G&A	(1,786)	(7,252)	(1,114)	(1,066)	(1,133)	(1,157)	(4,470)	(1,300)
Total Operating Exp.	(\$18,890)	(\$75,930)	(\$14,478)	(\$13,907)	(\$13,756)	(\$13,916)	(\$56,057)	(\$16,150)
Op. Profit (loss)	(\$1,091)	(\$9,562)	(\$195)	\$1,534	\$2,451	\$4,111	\$7,901	(\$950)
Financial income	\$1,018	\$3,930	\$891	\$372	\$418	\$593	\$2,274	\$420
Tax benefit (expense)	(\$161)	(\$280)	(\$106)	(\$353)	(\$408)	(\$283)	(\$1,150)	(\$300)
Non GAAP Net Income (loss)	(\$234)	(\$5,912)	\$590	\$1,553	\$2,461	\$4,421	\$9,025	(\$830)
ARS Gain (Write-down)	\$126	(\$1,391)	(\$259)	\$0	(\$296)	\$0	(\$555)	\$0
FAS-123R Option expenses	(\$1,158)	(\$5,416)	(\$1,168)	(\$1,117)	(\$1,005)	(\$1,034)	(\$4,324)	(\$680)
Acquisition-related costs	\$0	\$0	\$0	\$0	\$0	(\$580)	(\$580)	(\$400)
Deferred Tax Assets write-down	\$0	\$0	\$0	\$0	\$0	(\$4,340)	(\$4,340)	\$0
Restructuring Expenses	(\$221)	(\$221)	\$0	\$0	\$0	\$0	\$0	\$0
GAAP Net Income (loss)	(\$1,487)	(\$12,940)	(\$837)	\$436	\$1,160	(\$1,533)	(\$774)	(\$1,910)
No. of diluted shares	19,876	20,472	19,564	19,519	19,666	19,471	19,474	19,550
Non GAAP Diluted EPS	(\$0.01)	(\$0.29)	\$0.03	\$0.08	\$0.13	\$0.23	\$0.46	(\$0.04)
Diluted EPS	(\$0.07)	(\$0.63)	(\$0.04)	\$0.02	\$0.06	(\$0.08)	(\$0.04)	(\$0.10)

(\*) Operating expenses data excluding deferred stock compensation according to FAS-123R, acquisition-related expenses and Restructuring expenses.



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