

2008 North American Frost & Sullivan Award for Product Differentiation Innovation**RADVISION**

Frost & Sullivan presents the 2008 Product Differentiation Innovation Award in the videoconferencing infrastructure systems market to [RADVISION](#). This Award is presented each year to the company that has best demonstrated the ability to develop products that allow it to differentiate from competing vendors and products.

[RADVISION](#) receives this award in recognition of the company successfully leveraging its existing technology assets to introduce [SCOPIA Desktop](#) that in combination with [SCOPIA multi-point control unit \(MCU\)](#) and the rest of the [SCOPIA infrastructure suite](#), is allowing RADVISION to set itself apart in the industry. RADVISION is one of the dominant providers of standards-based video networking infrastructure and developer toolkits for voice, video, data and wireless communications.

State of the Market Calls for High Degree of Differentiation

Differentiation in the core infrastructure/MCU market is critical because the market is highly concentrated where the top two vendors, apart from RADVISION, account for 54 percent of the market. RADVISION has been in step with the needs of the industry and product introductions that its competitors have made.

The year 2007 saw a large influx of High Definition (HD)-capable videoconferencing endpoints in North America. RADVISION, lost no time in introducing [HD-capable MCUs](#) that could optimally support both the older-generation endpoints and HD endpoints. Further, RADVISION's customers can support both HD and standard definition (SD) endpoints in the same call without all participants downgrading to their common capabilities, but most importantly without customers paying full HD price for each port that they deploy. This is vital to a market that is currently inundated with SD endpoints and will be an installed base of mixed SD and HD endpoints for the next two years at least. RADVISION builds on this and further differentiates through the [SCOPIA Desktop](#) product.

In 2005, RADVISION acquired the assets of First Virtual Communications (FVC) to extend its product offerings to include an integrated voice, video and web desktop

collaboration solution called Click-to-Meet (CTM). Positioning it as a standalone product, the company has had some success in integrating CTM with leading desktop productivity suites like IBM Sametime and Microsoft LCS. However, in 2007, RADVISION strengthened its strategy around CTM by leveraging the technology with full integration into the SCOPIA platform.

[SCOPIA Desktop](#) is a software-based application that is deployed as an extension of the SCOPIA conferencing platform and allows desktop-based remote users to connect to conferences that also include room-based videoconferencing systems, executive desktop systems, 3G mobile devices, and provide optimal performance to all types of endpoints. [SCOPIA Desktop](#) does this by leveraging the transcoding and HD Continuous Presence (CP) capabilities of the underlying [SCOPIA MCU](#).

Most comparable products in the market today either cannot support full data collaboration capabilities to the desktop or cannot involve traditional videoconferencing endpoints optimally (where HD endpoints can function with HD performance). The differentiating feature is [SCOPIA Desktop](#)'s ability to provide full audio, video, and data collaboration capabilities to even the remote user.

Benefit to End-Users Due to Product Differentiation

RADVISION's introduction of [SCOPIA Desktop](#) comes at a critical time. The number of teleworkers and mobile employees in American businesses are continually on the increase. Videoconferencing vendors have to take this into account if they want to expand their users and target market. The immediate opportunity lies in remote workers due to the pervasiveness of broadband connections. Close to a hundred million U.S. workers are expected to telework by 2010. Companies are continually looking for ways to improve employee morale and bring these teleworkers closer into the corporate culture. To efficiently extend videoconferencing to these workers, the solution has to have freely distributable software clients, have the capability to traverse firewalls, has to be easy to install and use (or be a web client) and provide data collaboration and video features that are compatible with other video conferencing devices being used by the company. RADVISION has addressed all those requirements with [SCOPIA Desktop](#).

[SCOPIA Desktop](#) is a Web-based plug-in client with built-in firewall traversal that can be used by anyone inside or outside the enterprise firewall and has integrated streaming capabilities. Many other products in the market would require the

deployment of separate firewall traversal solutions and content servers. Further, all management and scheduling features that the [SCOPIA hardware MCU](#) possesses can be extended to [SCOPIA Desktop](#), a feature that is unique in the market. This also means that businesses do not need to deploy separate management, firewall traversal, scheduling and streaming solutions for employees that are using desktop PC-based videoconferencing.

[SCOPIA Desktop](#) is allowing companies to leverage their current investment in [videoconferencing infrastructure](#) and extend it to the increasing subset of remote workers. Efficient and comprehensive desktop collaboration tools that includes high-quality bidirectional video and seamless integration with room conferencing systems is becoming a “must have” feature in visual communications solutions. Increasing need for such capabilities in the enterprise market places RADVISION and [SCOPIA Desktop](#) in a favorable position in the industry.

Positive Impact on Sales due to Product Differentiation

Bundling [SCOPIA Desktop](#) with the [SCOPIA MCU](#) has expanded the addressable market of the SCOPIA hardware MCU, to create a comprehensive solution which serves the conference room market as well as desktop users driving more port sales overall for RADVISION. Further, RADVISION's technology has differentiated itself to where it continues to be the primary supplier of videoconferencing technology to Cisco. RADVISION's product relationship with Cisco is also contributing to its continuing differentiation in the market. For example, RADVISION will be one of the first companies to seamlessly support Cisco telepresence solutions, a product set that's gaining significant market share in the industry. Further, with Cisco's OEM relationship extending to [SCOPIA Desktop](#), customers will be able to deploy a truly end-to-end solution involving telepresence rooms all the way to desktop users with just a PC and a camera. Frost & Sullivan believes that Cisco's aggressive focus on unified communications and its tight OEM relationship with RADVISION will enable RADVISION to rapidly move forward into the unified communications paradigm.

RADVISION has also used its technology excellence to overcome market positioning challenges. For example, both TANDBERG and Polycom come to market with an end-to-end solution of endpoints and infrastructure, where RADVISION doesn't have its own portfolio of endpoints. With its technology, and innovation as in [SCOPIA Desktop](#), RADVISION has gained OEM relationships with endpoint vendors such as LifeSize and

Aethra that use RADVISION technology to complete their end-to-end solution and which are gaining significant ground globally.

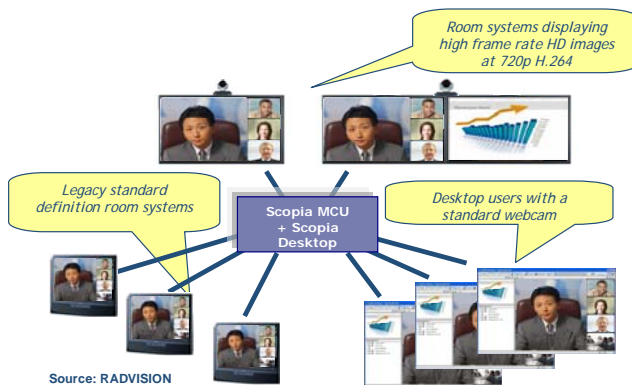
Due to its product strength and differentiation strategies, the company retained its market leader position in the infrastructure systems market in the Americas region in 2007. It also retained its position as one of the top three providers of videoconferencing infrastructure globally in 2007.

Conclusion

RADVISION's standards-based open-architecture solution, innovative OEM strategy and strategy of leveraging existing technology assets to suit the needs of the evolving market is helping the company maintain market share and differentiate in the videoconferencing infrastructure market. Frost & Sullivan recognizes this and presents RADVISION with the 2008 Frost & Sullivan Award for Product Differentiation Innovation in the videoconferencing infrastructure systems market.



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Product Differentiation
Innovation Award**



State of the Market Calls for High Degree of Differentiation
 – Highly concentrated market with dominant vendors that have endpoints and infrastructure

Product Differentiation Directly Benefits End Users
 – Number of remote employees/teleworkers are on the rise and need to be “connected” to headquarters

Product Differentiation is Having Direct Impact on Sales
 – 2007 Market Leadership position in Americas and continuing OEM relationships with dominant endpoint providers and unified communications solution vendors

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Award Description

The Frost & Sullivan Award for Product Differentiation Innovation is presented each year to the company that has best demonstrated the ability to develop and/or advance products with more innovative capabilities than competing vendors and products. This Award recognizes the company’s successful adoption of new or existing technology that has become a part of its well-designed product family. Such innovation is expected to significantly contribute to the industry in terms of product performance and degree/rate of technical change.

Research Methodology

Before considering the recipient of this Award, the analyst team tracks competing market participants’ product differentiation strategies through ongoing research. This research consists of market participant interviews, end-user surveys, and extensive

secondary research. The data compiled through this research is analyzed based upon specific measurement criteria for this Award. Participants are then ranked with respect to the measurement criteria. The Award recipient is ranked number one in the industry.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used in determining the final ranking of industry competitors. The recipient of this Award has excelled based on one or more of the following criteria:

- Degree of differentiation innovation compared to other market participants
- Positive impact on sales directly related to product differentiation
- Time to market improvement based upon product differentiation strategy
- Benefit to end-users due to product differentiation
- Effect of product differentiation on ease of adaptability for new end-user applications
- Effect of product differentiation on market maturation

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

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