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# 1Q08 Financial Review

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This presentation is designed to accompany the information given on the RADVISION Q1 2008 Earnings Conference Call on May 1, 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)

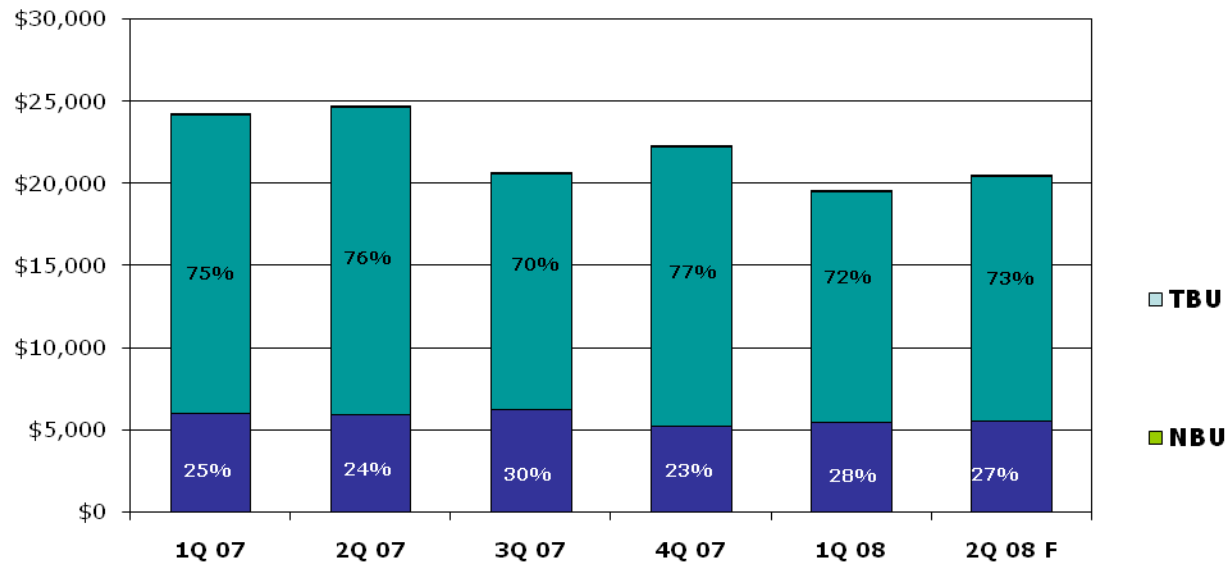
- Leading provider of IP-centric and 3G **videoconferencing platforms** (gateways, gatekeepers, and enhanced services)
- Powered by **RADVISION IP protocols** (see below)
- Supports both legacy ISDN and IP protocols and all end points
- Supports Voice, Video and Data conferencing

## 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

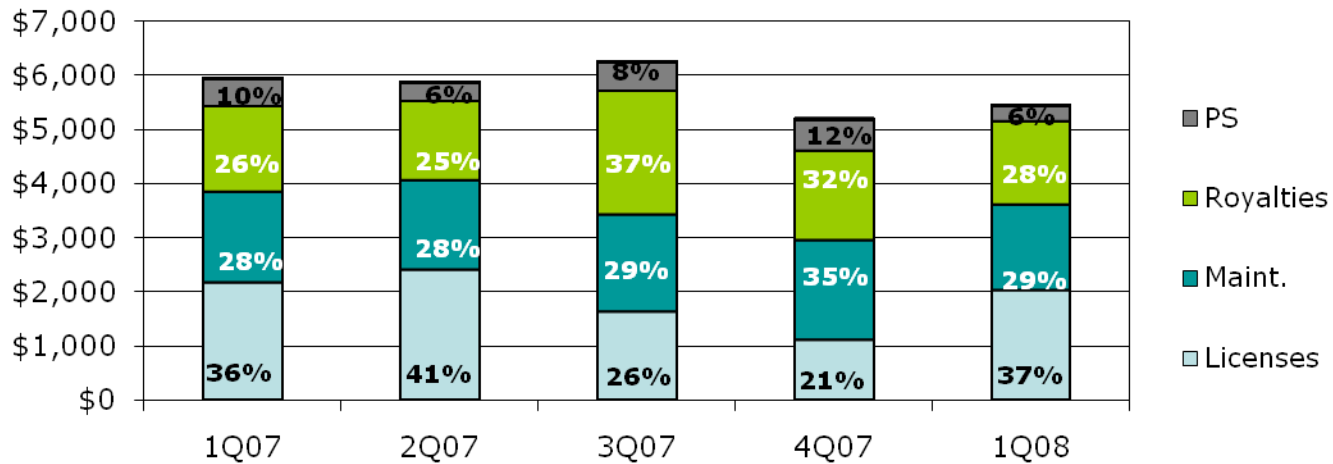
# Revenues - General

	<u>Actual FY2006</u>	<u>Actual 1Q 2007</u>	<u>Actual 2Q 2007</u>	<u>Actual 3Q 2007</u>	<u>Actual 4Q 2007</u>	<u>Actual FY2007</u>	<u>Actual 1Q 2008</u>	<u>Forecast 2Q 2008</u>
TBU	\$24,208	\$5,963	\$5,883	\$6,261	\$5,205	\$23,312	\$5,456	\$5,500
NBU	\$66,815	\$18,302	\$18,811	\$14,447	\$17,111	\$68,671	\$14,151	\$15,000
<b>Total</b>	<b>\$91,023</b>	<b>\$24,265</b>	<b>\$24,694</b>	<b>\$20,708</b>	<b>\$22,316</b>	<b>\$91,983</b>	<b>\$19,607</b>	<b>\$20,500</b>
Gross Margin	80.5%	79.8%	80.8%	81.0%	80.1%	80.4%	79.1%	78.5%



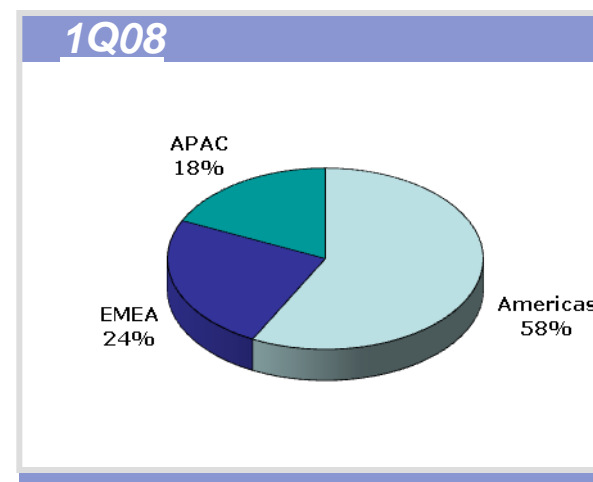
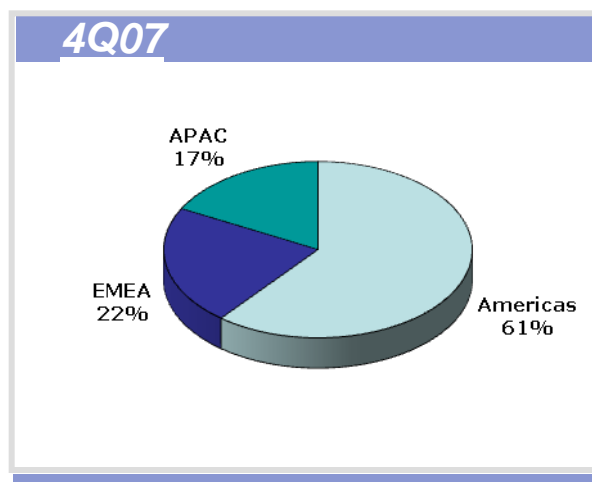
# Revenues - TBU

	<u>Actual FY2006</u>	<u>Actual 1Q 2007</u>	<u>Actual 2Q 2007</u>	<u>Actual 3Q 2007</u>	<u>Actual 4Q 2007</u>	<u>Actual FY2007</u>	<u>Actual 1Q 2008</u>
PS	\$1,585	\$537	\$358	\$529	\$604	\$2,028	\$303
Royalties	\$7,104	\$1,575	\$1,451	\$2,297	\$1,651	\$6,974	\$1,534
Maint.	\$6,998	\$1,675	\$1,661	\$1,805	\$1,842	\$6,983	\$1,593
Licenses	\$8,521	\$2,176	\$2,413	\$1,630	\$1,108	\$7,327	\$2,026
<b>Total</b>	<b>\$24,208</b>	<b>\$5,963</b>	<b>\$5,883</b>	<b>\$6,261</b>	<b>\$5,205</b>	<b>\$23,312</b>	<b>\$5,456</b>



# Revenues – Geographic & Concentration

	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>
Americas	62.0%	56.1%	60.1%	60.8%	57.6%
EMEA	21.2%	22.3%	21.3%	21.9%	24.3%
APAC	16.8%	21.6%	18.6%	17.3%	18.1%
Total	100%	100%	100%	100%	100%



	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>
Top 10 Customers	67%	64%	56%	60%	57%

# Operating Expenses

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

	<u>Actual</u> <u>FY 2006</u> <sup>1,2</sup>	<u>Actual</u> <u>1Q 2007</u> <sup>1</sup>	<u>Actual</u> <u>2Q 2007</u> <sup>1</sup>	<u>Actual</u> <u>3Q 2007</u> <sup>1</sup>	<u>Actual</u> <u>4Q 2007</u> <sup>1</sup>	<u>Actual</u> <u>FY 2007</u> <sup>1</sup>	<u>Actual</u> <u>1Q 2008</u> <sup>1</sup>	<u>Forecast</u> <u>2Q 2008</u> <sup>1</sup>
R&D	\$23,878	\$7,239	\$7,233	\$7,089	\$7,076	\$28,637	\$7,751	\$8,900
S&M	\$28,742	\$7,500	\$7,707	\$7,473	\$7,933	\$30,613	\$8,910	\$8,600
G&A	\$5,447	\$1,443	\$1,943	\$2,189	\$1,727	\$7,302	\$1,658	\$1,800
<b>Total</b>	<b>\$58,067</b>	<b>\$16,182</b>	<b>\$16,883</b>	<b>\$16,751</b>	<b>\$16,736</b>	<b>\$66,552</b>	<b>\$18,319</b>	<b>\$19,300</b>

## % of revenues

	<u>FY 2006</u> <sup>1,2</sup>	<u>1Q 2007</u> <sup>1</sup>	<u>2Q 2007</u> <sup>1</sup>	<u>3Q 2007</u> <sup>1</sup>	<u>4Q 2007</u> <sup>1</sup>	<u>FY 2007</u> <sup>1</sup>	<u>1Q 2008</u> <sup>1</sup>	<u>2Q 2008</u> <sup>1</sup>
R&D	26.2%	29.8%	29.3%	34.2%	31.7%	31.1%	39.5%	43.4%
S&M	31.6%	30.9%	31.2%	36.1%	35.5%	33.3%	45.4%	42.0%
G&A	6.0%	5.9%	7.9%	10.6%	7.7%	7.9%	8.5%	8.8%
<b>Total</b>	<b>63.8%</b>	<b>66.7%</b>	<b>68.4%</b>	<b>80.9%</b>	<b>75.0%</b>	<b>72.4%</b>	<b>93.4%</b>	<b>94.1%</b>

<sup>1</sup> Data excluding deferred stock compensation according to FAS-123R.

<sup>2</sup> Data excluding settlement reserve.

# Cash Flow

(U.S. Dollars in thousands)

	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>
Cash & cash equivalents*	\$155,815	\$131,904	\$135,213	\$130,742	\$127,581
as percent of total assets	82%	74%	77%	75%	75%
Cash flow from operations	\$7,316	(\$6,950)	\$9,293	(\$231)	\$1,334
Capital expenditures	(\$832)	(\$2,437)	(\$658)	(\$244)	(\$948)
Option Exercise	\$3,760	\$2,190	\$942	\$39	\$18
Share Buyback		(\$16,714)	(\$6,268)	(\$4,035)	(\$3,565)
Net Change in Cash	\$10,244	(\$23,911)	\$3,309	(\$4,471)	(\$3,161)
Cash per basic share	\$6.98	\$5.93	\$6.21	\$6.09	\$6.04
# of basic shares	22,310	22,255	21,761	21,477	21,123

\*Including short term and long term investments

# Balance Sheet

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

	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>
Inventory Days	57	49	40	32	23
Inventory	\$3,136	\$2,534	\$1,706	\$1,560	\$1,023
DSOs (in days)	38	65	61	61	66
Target DSOs	55	55	55	55	55
Receivables	\$10,057	\$17,725	\$13,930	\$15,011	\$14,141

# Actual Results and 1Q08 Guidelines

	2006a*	1Q07a*	2Q07a*	3Q07a*	4Q07a*	2007a*	1Q08a*	2Q08f*
Revenue	\$91,023	\$24,265	\$24,694	\$20,708	\$22,316	\$91,983	\$19,607	\$20,500
COG	(17,792)	(4,909)	(4,741)	(3,925)	(4,439)	(18,014)	(4,096)	(4,400)
Gross Profit	\$73,231	\$19,356	\$19,953	\$16,783	\$17,877	\$73,969	\$15,511	\$16,100
	80%	80%	81%	81%	80%	80%	79%	79%
R&D	(23,878)	(7,239)	(7,233)	(7,089)	(7,076)	(28,637)	(7,751)	(8,900)
S&M	(28,742)	(7,500)	(7,707)	(7,473)	(7,933)	(30,613)	(8,910)	(8,600)
G&A	(5,447)	(1,443)	(1,943)	(2,189)	(1,727)	(7,302)	(1,658)	(1,800)
Exp.	(\$58,067)	(\$16,182)	(\$16,883)	(\$16,751)	(\$16,736)	(\$66,552)	(\$18,319)	(\$19,300)
Op. Profit (loss) before reserve	\$15,164	\$3,174	\$3,070	\$32	\$1,141	\$7,417	(\$2,808)	(\$3,200)
Patent settlement reserve	(\$1,900)							
Op. Profit (loss) after reserve	\$13,264	\$3,174	\$3,070	\$32	\$1,141	\$7,417	(\$2,808)	(\$3,200)
Financial income	\$5,825	\$1,721	\$1,806	\$1,483	\$1,082	\$6,095	\$1,044	\$900
Tax benefit (expense)	\$936	(\$26)	\$84	\$123	\$1,610	\$1,790	(\$3)	\$0
Net Income (loss)	\$20,025	\$4,869	\$4,960	\$1,638	\$3,833	\$15,302	(\$1,767)	(\$2,300)
FAS-123R Option expenses	\$4,777	\$1,330	\$1,334	\$1,404	\$1,380	\$5,448	\$1,304	\$1,300
Net Income (loss) after FAS123-R	\$15,248	\$3,539	\$3,626	\$234	\$2,453	\$9,854	(\$3,071)	(\$3,600)
No. of diluted shares	22,747	23,136	22,946	22,231	21,615	22,482	21,123	21,000
Diluted EPS(excluding FAS-123R and reserve)	\$0.96	\$0.21	\$0.22	\$0.07	\$0.18	\$0.68	(\$0.08)	(\$0.11)
Diluted EPS	\$0.67	\$0.15	\$0.16	\$0.01	\$0.11	\$0.44	(\$0.15)	(\$0.17)

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

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# Thank You

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