

PRESS RELEASE

Corporate Contacts:

Adi Sfadia
Chief Financial Officer
RADVISION
+1 201-689-6340
cfo@radvision.com

Investor Relations:

June Filingeri
Comm-Partners LLC
+1 203-972-0186
junefil@optonline.net

RADVISION REPORTS SECOND QUARTER 2008 RESULTS

TEL AVIV, July 31, 2008 -- RADVISION® (Nasdaq: RVSN) today reported that revenues for the second quarter of 2008 were \$20.8 million compared with \$24.7 million reported in the second quarter of 2007.

The Company incurred an operating loss of \$4.3 million for the second quarter of 2008 compared with operating income of \$1.7 million in the second quarter of 2007. Excluding the effects of stock-based compensation expense related to the adoption of FAS123R in both periods, the non-GAAP operating loss was \$3.0 million in the second quarter of 2008 compared with operating income of \$3.1 million in second quarter of 2007.

The net loss for the second quarter of 2008 was \$3.9 million, or \$0.19 per diluted share, compared with net income of \$3.6 million, or \$0.16 per diluted share, in the second quarter of 2007. Excluding the effect of stock-based compensation expense (which amounted to \$1.3 million or \$0.06 per diluted share in the second quarters of both 2008 and 2007) and an other than temporary impairment of available-for-sale marketable securities (which amounted to \$0.4 million or \$0.03 per diluted share in the second quarter of 2008), the non-GAAP net loss for the second quarter of 2008 was \$2.2 million, or \$0.10 per diluted share, compared with non-GAAP net income of \$5.0 million, or \$0.22 per diluted share, in the second quarter of 2007.

The Company had forecasted that revenues for the second quarter of 2008 would approximate \$20.5 million and that the net loss would be approximately \$3.6 million, or \$0.17 per diluted share, including stock-based compensation expense of \$1.3 million, or \$0.06 per diluted share, related to the adoption of FAS123R. Excluding this item, the non-GAAP loss for the second quarter of 2008 was expected to approximate \$2.3 million, or \$0.11 per diluted share.

Business unit revenues for the second quarter of 2008 consisted of \$15.5 million in Networking Business Unit (NBU) sales compared with \$18.8 million in the second quarter of 2007, and \$5.3 million in Technology Business Unit (TBU) sales compared with \$5.9 million in the second quarter of 2007. The Company had forecasted NBU revenues of \$15.0 million and TBU revenues of \$5.5 million for the second quarter of 2008.

For the first six months of 2008, revenues were \$40.5 million, the operating loss was \$8.4 million and the net loss was \$6.9 million, or \$0.33 per diluted share. This compares with revenues of \$48.6 million, operating income of \$3.3 million, and net income of \$6.9 million, or \$0.30 per diluted share, in the first six months of 2007. Excluding the effect of stock-based compensation expense (which amounted to \$2.6 million or \$0.12 per diluted in the first six months of 2008 and \$2.7 million or \$0.11 per diluted in the first six months of 2007) and an other than temporary impairment of available-for-sale marketable securities (which amounted to \$0.4 million or \$0.02 per diluted share in the first six months of 2008), the non-GAAP operating loss for the first six months of 2008 was \$5.8 million and the net loss was \$3.9 million, or \$0.19 per diluted share, compared with non-GAAP operating income of \$6.0 million and net income of \$9.6 million, or \$0.41 per diluted share, for the first six months of 2007.

The Company ended the second quarter of 2008 with approximately \$123.5 million in cash and liquid investments, equivalent to \$5.98 per basic share, a decrease of \$4.1 million from March 31, 2008. The decrease reflects the use of \$2.9 million for the repurchase of 408,199 Company shares, \$0.9 million of capital expenditures and a decrease of \$0.3 million in cash flow used in operating activities, which includes a current

estimate of an other than temporary decline in Auction Rate Securities held for investment in the amount of \$0.2 million.

Boaz Raviv, Chief Executive Officer, commented: "In the second quarter of 2008, we continued to execute our intensive plan to reassert our technology leadership and deepen our partner and reseller relationships. Our plan has required heightened investment in OPEX spending, which was in line with our forecast in the second quarter, as were our overall results.

"A major outcome of our R&D investment was the introduction in June of Version 5.6 of our SCOPIA platform that has important advances including high definition videoconferencing to the desktop through our SCOPIA Desktop browser-based plug in, and adds recording, playback and content management to SCOPIA's streaming capabilities. The market response has been very positive. This week, we announced the general availability of Version 3.0 of our SCOPIA Interactive Video Platform, with enhanced scalability, port density and performance as well as a PC web-embedded video add-on and pre-installed software and applications for "solution in a box" deployment.

"Our past investment in technology and partner support benefited our second quarter revenues, leading to stronger than expected results for our NBU. This was mainly due to higher than forecasted sales to our channel partner Cisco, which included demo equipment for a new product that we had in development for them. U.S. Federal sales also were higher than expected in the second quarter and our sales through LifeSize showed very strong sequential growth. These positive contributors more than offset a temporary fall-off in revenues from a partner in Europe and a quiet quarter in APAC, although sales in China, Korea and Southeast Asia did well.

"Our second quarter TBU revenues benefited from strong year over year growth in our ProLab Testing Suite and SIP, but were slightly lower than forecast due to slippage of a few deals into the third quarter. As part of our strategic plan, we are combining the technology leadership of our TBU with an expanded marketing focus and new business initiatives. These include the introduction of our first TBU product targeted to the Enterprise market, eVident, which enables enterprises and system integrators to test the quality of the videoconference experience and do advanced trouble shooting."

Mr. Raviv concluded: "We are focused on making continued progress in implementing our plan and expect to achieve further improvement in revenues in the Third Quarter. However, the pace of that improvement is not as fast as we had targeted. Although we have adjusted our OPEX budget in light of this, the devaluation of the dollar is inflating those costs substantially. We have decided to make the necessary expenditures to continue our progress and ultimately reach our goal. That may push our return to profitability into early 2009."

Guidance

The following statements are forward-looking, and actual results may differ materially.

The Company expects to report revenues for the third quarter of 2008 of approximately \$21.5 million and a net loss of approximately \$3.6 million or \$0.18 per diluted share. This includes stock-based compensation expense related to the adoption of FAS123R of \$1.3 million or \$0.07 per diluted share. Excluding this item, the non-GAAP net loss for the third quarter 2008 is expected to be \$2.3 million or \$0.11 per diluted share. That compares to revenues for the third quarter of 2007 of \$20.7 million and net income of \$0.2 million or \$0.01 per diluted share, which included stock-based compensation expense of \$1.4 million or \$0.06 per diluted share related to the adoption of FAS123R. Excluding the effect of stock-based compensation expense, net income for the third quarter of 2007 was \$1.6 million or \$0.07 per diluted share. (Full details are available on the Company's web site at www.radvision.com.)

GAAP versus NON-GAAP Presentation

To supplement the consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses non-GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude other than temporary impairment of available-for-sale marketable securities and the expenses recorded for stock compensation in accordance with SFAS 123(R). These non-GAAP financial measures are provided to enhance overall understanding of the current financial performance and prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management, and investors as these non-GAAP results exclude other than temporary impairment of available-for-sale marketable securities and the expenses recorded for stock compensation in accordance with SFAS 123(R) that the Company believes are not

indicative of the core operating results. Further, these non-GAAP results are one of the primary indicators management uses for assessing the Company's performance, allocating resources and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. These non-GAAP measures may be different from the non-GAAP measures used by other companies.

Second Quarter 2008 Earnings Conference Call/Webcast

RADVISION will hold a conference call to discuss its second quarter 2008 results and third quarter outlook, today, Thursday, July 31, at 9:00 a.m. (Eastern). To access the conference call, please dial 1-877-601-3546 (International dialers may call +1-210-839-8500) by 8:45 a.m. (Eastern). The passcode "RADVISION" will be required to access the live conference call. A live webcast of the conference call also will be available on the Company's website and archived on the site until the next quarter. Simply click on the following link or copy it onto your browser: www.radvision.com/Corporate/Investors/FinancialReports/. A replay of the call will be available beginning approximately one hour after the conclusion of the call through 11:00 p.m. (Eastern) on August 7th. To access the replay, please dial 1-800-272-5957 (International dialers may call +1-402-220-9718).

The PowerPoint presentation highlighting key financial metrics as well as the third quarter 2008 estimate also will be available in the Investor Relations section of the company's website. The presentation will be available beginning at 8:00 a.m. (Eastern) on July 31st and will be archived on the website until the end of the third quarter.

About RADVISION

RADVISION (Nasdaq: RVSN) is the industry's leading provider of market-proven products and technologies for unified visual communications over IP and 3G networks. With its complete set of standards-based video networking infrastructure and developer toolkits for voice, video, data and wireless communications, RADVISION is driving the unified communications evolution by combining the power of video, voice, data and wireless – for high definition videoconferencing systems, innovative converged mobile services, and highly scalable video-enabled desktop platforms on IP, 3G and emerging next-generation networks. For more information about RADVISION, visit www.radvision.com.

This press release 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 its Annual Report on Form 20-F. 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.

- TABLES FOLLOW -

CONSOLIDATED STATEMENTS OF INCOME

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

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	Unaudited			
Revenues	\$ 20,845	\$ 24,694	\$ 40,452	\$ 48,559
Cost of revenues	4,628	4,833	8,825	9,707
Gross profit	16,217	19,861	31,627	38,852
Operating costs and expenses:				
Research and development	9,233	7,650	17,373	15,315
Marketing and selling	9,030	8,183	18,413	16,176
General and administrative	2,253	2,292	4,252	4,050
Total operating costs and expenses	20,516	18,125	40,038	35,541
Operating income (loss)	(4,299)	1,736	(8,411)	3,311
Financial income, net	412	1,806	1,456	3,527
Income (loss) before taxes on income	(3,887)	3,542	(6,955)	6,838
Taxes benefit	12	84	9	58
Net income (loss)	<u>\$ (3,875)</u>	<u>\$ 3,626</u>	<u>\$ (6,946)</u>	<u>\$ 6,896</u>
Basic net earnings (loss) per Ordinary share	<u>\$ (0.19)</u>	<u>\$ 0.16</u>	<u>\$ (0.33)</u>	<u>\$ 0.31</u>
Weighted Average Number of Shares Outstanding During the Period – Basic	<u>20,637,359</u>	<u>22,255,258</u>	<u>20,880,041</u>	<u>22,282,586</u>
Diluted net earnings (loss) per Ordinary share	<u>\$ (0.19)</u>	<u>\$ 0.16</u>	<u>\$ (0.33)</u>	<u>\$ 0.30</u>
Weighted Average Number of Shares Outstanding During the Period – Diluted	<u>20,637,359</u>	<u>22,945,898</u>	<u>20,880,041</u>	<u>23,040,875</u>

CONSOLIDATED STATEMENTS OF INCOME

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

Reconciliation of GAAP to NON-GAAP Operating Results

To supplement the consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses non-GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude other than temporary impairment of available-for-sale marketable securities and the expenses recorded for stock compensation in accordance with SFAS 123(R). These non-GAAP financial measures are provided to enhance overall understanding of the current financial performance and prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management, and investors as these non-GAAP results exclude other than temporary impairment of available-for-sale marketable securities and the expenses recorded for stock compensation in accordance with SFAS 123(R) that the Company believes are not indicative of the core operating results. Further, these non-GAAP results are one of the primary indicators management uses for assessing the Company's performance, allocating resources and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. These non-GAAP measures may be different than the non-GAAP measures used by other companies.

The following table reconciles the GAAP to non-GAAP operating results:

	Three months ended		
	June 30, 2008		
	(Unaudited)		
	GAAP results	Non-GAAP	Non-GAAP
	(as reported)	adjustment	results
		share-based	Pro Forma
		compensation	
Gross profit	\$ 16,217	\$ 94	\$ 16,311
Total operating costs and expenses	\$ 20,516	\$ (1,173)	\$ 19,343
Operating loss	\$ (4,299)	\$ 1,267	\$ (3,032)
Loss before taxes on income	\$ (3,887)	\$ 1,713	\$ (2,174)
Net loss	\$ (3,875)	\$ 1,713	\$ (2,162)
Basic net loss per Ordinary share	\$ (0.19)	\$ 0.09	\$ (0.10)
Diluted net loss per Ordinary share	\$ (0.19)	\$ 0.09	\$ (0.10)

	Three months ended		
	June 30, 2007		
	(Unaudited)		
	GAAP results	Non-GAAP	Non-GAAP
	(as reported)	adjustment	results
		share-based	Pro Forma
		compensation	
Gross profit	\$ 19,861	\$ 92	\$ 19,953
Total operating costs and expenses	\$ 18,125	\$ (1,242)	\$ 16,883
Operating income	\$ 1,736	\$ 1,334	\$ 3,070
Income before taxes on income	\$ 3,542	\$ 1,334	\$ 4,876
Net income	\$ 3,626	\$ 1,334	\$ 4,960
Basic net earnings per Ordinary share	\$ 0.16	\$ 0.06	\$ 0.22
Diluted net earnings per Ordinary share	\$ 0.16	\$ 0.06	\$ 0.22

CONSOLIDATED BALANCE SHEETS

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

	Six months ended June 30, 2008 (Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation	Non-GAAP results Pro Forma
Gross profit	\$ 31,627	\$ 195	\$ 31,822
Total operating costs and expenses	\$ 40,038	\$ (2,376)	\$ 37,662
Operating loss	\$ (8,411)	\$ 2,571	\$ (5,840)
Loss before taxes on income	\$ (6,955)	\$ 3,017	\$ (3,938)
Net loss	\$ (6,946)	\$ 3,017	\$ (3,929)
Basic net loss per Ordinary share	\$ (0.33)	\$ 0.14	\$ (0.19)
Diluted net loss per Ordinary share	\$ (0.33)	\$ 0.14	\$ (0.19)

	Six months ended June 30, 2007 (Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation and patent settlement reserve	Non-GAAP results Pro Forma
Gross profit	\$ 38,852	\$ 188	\$ 39,040
Total operating costs and expenses	\$ 35,541	\$ (2,476)	\$ 33,065
Operating income	\$ 3,311	\$ 2,664	\$ 5,975
Income before taxes on income	\$ 6,838	\$ 2,664	\$ 9,502
Net income	\$ 6,896	\$ 2,664	\$ 9,560
Basic net earnings per Ordinary share	\$ 0.31	\$ 0.12	\$ 0.43
Diluted net earnings per Ordinary share	\$ 0.30	\$ 0.11	\$ 0.41

CONSOLIDATED BALANCE SHEETS

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

	June 30, 2008	December 31, 2007
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents *)	\$ 22,460	\$ 45,370
Short-term bank deposits *)	40,847	42,242
Short-term marketable securities *)	11,603	28,037
Trade receivables	15,627	15,011
Other accounts receivable and prepaid expenses	7,447	8,464
Inventories	1,088	1,691
Total current assets	<u>99,072</u>	<u>140,815</u>
LONG-TERM INVESTMENTS AND RECEIVABLES:		
Long-term bank deposits *)	5,280	-
Long-term marketable securities *)	43,274	15,093
Long-term prepaid expenses	1,448	1,618
Severance pay fund	5,571	4,555
Long-term deferred tax asset	3,700	3,394
Total long-term investments and receivables	<u>59,273</u>	<u>24,660</u>
Property and equipment, net	<u>5,738</u>	<u>5,237</u>
Goodwill	<u>2,966</u>	<u>2,966</u>
Other intangible assets, net	<u>816</u>	<u>1,362</u>
Total assets	<u>\$ 167,865</u>	<u>\$ 175,040</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 2,287	\$ 2,389
Deferred revenues	7,839	6,829
Accrued expenses and other accounts payable	14,417	12,607
Total current liabilities	<u>24,543</u>	<u>21,825</u>
Accrued severance pay	<u>6,714</u>	<u>5,656</u>
Total liabilities	<u>31,257</u>	<u>27,481</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.1 par value	234	234
Additional paid-in capital	137,898	135,327
Treasury stock	(28,022)	(21,662)
Accumulated other comprehensive income	(129)	55
Retained earnings	26,627	33,605
Total shareholders' equity	<u>136,608</u>	<u>147,559</u>
Total liabilities and shareholders' equity	<u>\$ 167,865</u>	<u>\$ 175,040</u>
*) Total cash and liquid investments	<u>\$ 123,464</u>	<u>\$ 130,742</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2008	2007
	<u>Unaudited</u>	
<u>Cash flows from operating activities:</u>		
Net income (loss)	\$ (6,946)	\$ 6,896
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,916	1,843
Accrued interest, amortization of premium and accretion of discount on marketable securities and bank deposits, net	858	(141)
Stock- based compensation	2,571	2,664
Gain on sale of property and equipment	(6)	-
Tax benefit relating to loss carryforwards resulting from exercise of stock options	-	(167)
Increase in trade receivables, net	(616)	(4,859)
Decrease in other accounts receivable and prepaid expenses	657	864
Decrease in inventories	603	314
Increase (decrease) in long-term prepaid expenses	170	(1,788)
Increase in deferred tax asset	(183)	(1,125)
Decrease in trade payables	(102)	(787)
Increase (decrease) in deferred revenues	1,010	(1,584)
Increase (decrease) in accrued expenses and other accounts payable	1,810	(2,375)
Accrued severance pay, net	42	303
Net cash provided by operating activities	<u>1,784</u>	<u>58</u>
<u>Cash flows from investing activities:</u>		
Proceeds from redemption of marketable securities	38,382	26,631
Purchase of marketable securities	(50,380)	(30,548)
Proceeds from withdrawal of bank deposits	72,924	84,107
Purchase of bank deposits	(77,363)	(76,827)
Purchase of property and equipment	(1,871)	(3,269)
Proceeds from sale of property and equipment	6	-
Net cash provided by (used in) investing activities	<u>(18,302)</u>	<u>94</u>
<u>Cash flows from financing activities:</u>		
Purchase of treasury stock	(6,416)	(16,714)
Issuance of Ordinary shares and treasury stock for cash upon exercise of options	24	5,950
Tax benefit related to exercise of stock options	-	167
Net cash used in financing activities	<u>(6,392)</u>	<u>(10,597)</u>
Decrease in cash and cash equivalents	(22,910)	(10,445)
Cash and cash equivalents at beginning of period	45,370	23,110
Cash and cash equivalents at end of period	<u>\$ 22,460</u>	<u>\$ 12,665</u>
<u>Supplemental disclosure of non-cash flows from investing and financing activities:</u>		
Receivables on account of shares	<u>\$ -</u>	<u>\$ 44</u>