



## PRESS RELEASE

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### **RADVISION REPORTS RECORD RESULTS FOR 2005 THIRD QUARTER - Revenues of \$19.1 million and EPS of \$0.18 Exceed Forecast -**

**FAIR LAWN, New Jersey, November 1, 2005 -- RADVISION (Nasdaq: RVSN)** today announced that revenues for the third quarter of 2005 reached a record \$19.1 million. This represents a 14% increase from the third quarter of 2004. It was \$600,000 above the Company's forecast of \$18.5 million.

Operating income for the third quarter of 2005 increased to \$3.2 million. That compares with \$881,000 in the 2004 third quarter.

Net income for the 2005 third quarter more than doubled to a record \$3.9 million or \$0.18 per diluted share, compared with \$1.4 million or \$0.07 per diluted share reported in the 2004 third quarter. The Company had forecast that net income would be \$3.4 million or \$0.15 per diluted share.

Business Unit revenues for the third quarter of 2005 consisted of \$13.5 million in Networking Business Unit (NBU) sales and \$5.6 million in Technology Business Unit (TBU) sales, representing increases of 19% and 4%, respectively, over the third quarter of 2004.

For the first nine months of 2005, revenues were \$52.8 million, operating income was \$7.3 million and net income was \$9.3 million or \$0.42 per diluted share. For the first nine months of 2004, revenues were \$46.7 million, operating income was \$1.9 million and net income was \$3.2 million or \$0.15 per share.

The Company ended the third quarter of 2005 with approximately \$115.8 million in cash and liquid investments, an increase of \$3.4 million over the 2005 second quarter, and equivalent to \$5.46 per basic share. The increase reflects cash flow of \$2.8 million from operations and income of \$1.1 million from the exercise of options, offset by \$500,000 in capital expenditures.

Gadi Tamari, Chief Executive Officer, commented: “Our third quarter revenues reached a record level and exceeded our forecast mainly because of the strong performance of our NBU in the Americas. This was driven by substantial sales in the U.S. federal market of both Click to Meet™ and of our hardware, and better than expected growth in sales to our channel partner Cisco.

“We made important progress in the third quarter towards one of our primary goals – expanding the potential of our Click to Meet technology by integrating it within Microsoft solutions. Click to Meet for Live Communications Server became generally available in September and we made our first shipments in the third quarter. We expect Click to Meet for Live Meeting to ship later in the current quarter.”

“We had strong performance in Europe including three 3G hardware deals in the third quarter not all of which have been recognized as revenues yet. They included a large follow-on order from one of our earliest 3G customers, a significant new deal with a major cellular operator and a project with an applications services provider for an innovative pilot.

“Our TBU continued its solid performance in the quarter as well. We were pleased to see the adoption by the ITU of WNSRP, the first standard for fast-call setup on 3G-324M multimedia systems, which was strongly supported by a consortium of 3G equipment solution providers. Our TBU introduced a new version of the 3G-324M toolkit earlier this year to support WNSRP and we won an important new handset customer in APAC who chose our toolkit over the competition. We were also the editors of the standard for firewall NAT traversal that was adopted by the ITU. This standard was the first agreed to by all the leading providers in the market.

Mr. Tamari concluded: “Our strong performance this quarter is further evidence that we are executing on our plan and that it is the right one for the personal and business multimedia communications market. The video-based market continues to make important strides and we expect further growth in the fourth quarter and beyond.”

## **Guidance**

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

The Company expects fourth quarter 2005 revenues to be approximately \$20.5 million and net income to approximate \$4.5 million or \$0.20 per diluted share. This compares to fourth quarter 2004 revenues of \$17.6 million and net income of \$2.8 million or \$0.13 per diluted share. (Full details are available on the Company’s web site at [www.radvision.com](http://www.radvision.com).)

## **Third Quarter 2005 Earnings Conference Call/Webcast**

RADVISION will hold a conference call to discuss its third quarter 2005 results and fourth quarter outlook, today, Tuesday, November 1, 2005 at 9:00 a.m. (Eastern). To access the conference call, please dial 1-888-455-9744 (International dialers can call +1-210-234-0002) by 8:45 a.m. The passcode “RADVISION” will be required to access the live conference call. A live webcast of the conference call also will be available in the Investor Relations section of the company’s website at [www.radvision.com](http://www.radvision.com) and archived on the site until the next quarter. Simply point to Corporate Information and click on Investors.

A PowerPoint presentation highlighting key financial metrics as well as the fourth quarter 2005 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 November 1<sup>st</sup> and will be archived on the website until the end of the fourth quarter. 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 November 8<sup>th</sup>. To access the replay, please dial 1-866-465-2115 (International dialers can call +1-203-369-1432).

## **About RADVISION**

RADVISION Ltd. (Nasdaq: RVSN) is 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 IP and 3G networks. For more information, please visit our website at [www.radvision.com](http://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 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.*

- TABLES FOLLOW -

**RADVISION LTD.**  
**Consolidated Statements of Income**  
(U.S. Dollars in thousands, except per share data)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>Unaudited</b>			
Revenues	\$ 19,089	\$ 16,708	\$ 52,842	\$ 46,675
Cost of revenues	3,401	3,426	9,280	9,921
Gross profit	15,688	13,282	43,562	36,754
Operating costs and expenses:				
Research and development	5,171	4,883	14,880	12,945
Marketing and selling	6,165	6,305	17,928	18,270
General and administrative	1,165	1,213	3,476	3,663
Total operating costs and expenses	12,501	12,401	36,284	34,878
Operating profit	3,187	881	7,278	1,876
Financial income, net	774	500	2,103	1,344
Income before taxes	3,961	1,381	9,381	3,220
Taxes on income	11	-	41	-
Net income	<u>\$ 3,950</u>	<u>\$ 1,381</u>	<u>\$ 9,340</u>	<u>\$ 3,220</u>
Basic net earnings per Ordinary share	<u>\$ 0.19</u>	<u>\$ 0.07</u>	<u>\$ 0.45</u>	<u>\$ 0.16</u>
Weighted Average Number of Shares Outstanding During the Period – Basic	<u>21,220,854</u>	<u>19,853,872</u>	<u>20,976,682</u>	<u>19,682,936</u>
Diluted net earnings per Ordinary share	<u>\$ 0.18</u>	<u>\$ 0.07</u>	<u>\$ 0.42</u>	<u>\$ 0.15</u>
Weighted Average Number of Shares Outstanding During the Period – Diluted	<u>22,065,259</u>	<u>21,149,001</u>	<u>22,039,798</u>	<u>21,372,063</u>

**RADVISION LTD.**  
**Consolidated Balance Sheet**  
(U.S. Dollars in thousands)

	September 30, 2005 (Unaudited)	December 31, 2004 (Audited)
<b>Assets</b>		
Cash and cash equivalents (* see below)	\$ 23,453	\$ 20,206
Short-term securities and bank deposits (* see below)	64,655	51,411
Trade receivables, net	13,740	10,063
Other receivables	3,843	3,900
Inventories	1,817	1,220
Total current assets	107,508	86,800
Severance pay fund	2,790	2,733
Long-term securities and bank deposits (* see below)	27,683	38,749
Total long-term assets	30,473	41,482
Property and Equipment		
Cost	16,135	14,584
Less accumulated depreciation	12,967	11,937
	3,168	2,647
Other assets, net	6,834	953
<b>Total Assets</b>	<b>147,983</b>	<b>131,882</b>
<b>Liabilities and Equity</b>		
Trade payable	2,988	1,939
Other payables and accrued expenses	19,791	19,466
Current liabilities	22,779	21,405
Accrued severance pay	3,706	3,701
Total liabilities	26,485	25,106
<b>Shareholders' Equity</b>		
Share capital	207	196
Additional paid in capital	112,638	107,267
Accumulated deficit	8,653	(687)
Total shareholders' equity	121,498	106,776
<b>Total Liabilities and Shareholders' Equity</b>	<b>147,983</b>	<b>131,882</b>
(*)Total cash and liquid investments	115,791	110,366