



RADVISION[®]
Delivering the Visual Experience[®]

Delivering Visual Communications

3Q09 Financial Review

October 2009

This presentation is designed to accompany
the information given on the
RADVISION Q3 2009 Earnings
Conference Call on October 29, 2009.

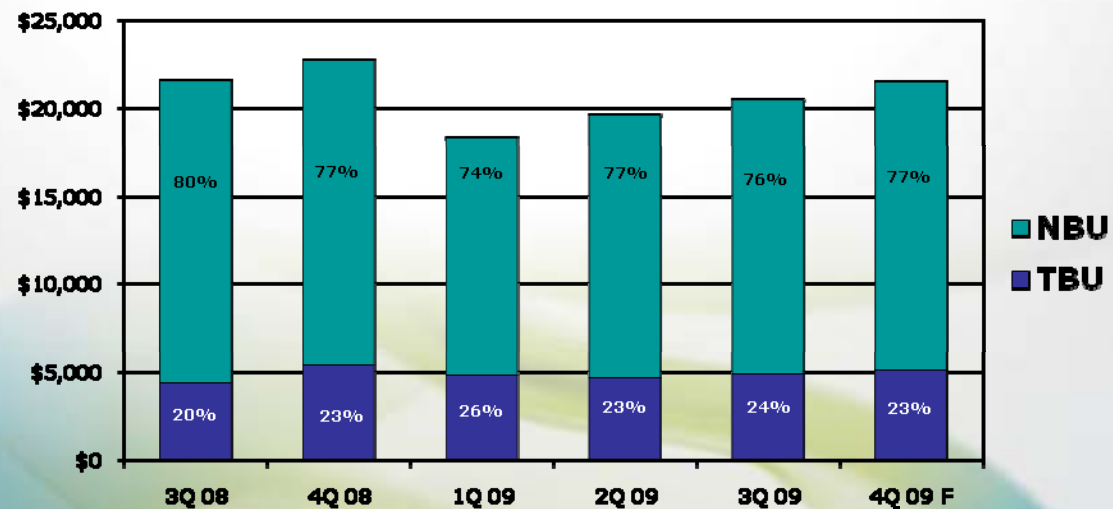
This presentation contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the industry, changes in demand for products,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

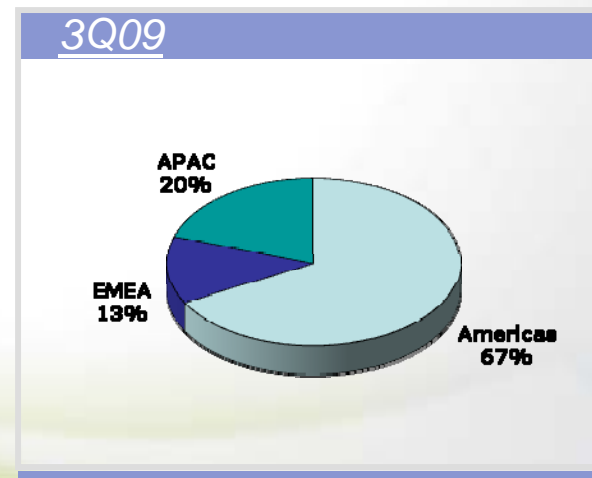
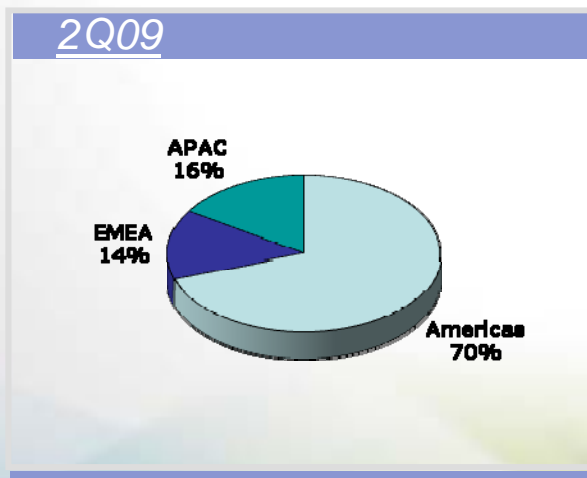
Revenues - General

	<u>Actual</u> 3Q 2008	<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>Forecast</u> 4Q 2009
TBU	\$4,297	\$5,324	\$20,368	\$4,745	\$4,586	\$4,825	\$5,000
NBU	\$17,258	\$17,416	\$64,379	\$13,554	\$14,996	\$15,604	\$16,500
Total	\$21,555	\$22,740	\$84,747	\$18,299	\$19,582	\$20,429	\$21,500
Gross Margin	77.7%	78.3%	78.3%	78.1%	78.9%	79.3%	79.1%



Revenues – Geographic & Concentration

	<u>3Q08</u>	<u>4Q08</u>	<u>1Q09</u>	<u>2Q09</u>	<u>3Q09</u>
Americas	66.7%	56.5%	51.8%	70.3%	66.9%
EMEA	19.3%	20.0%	26.4%	13.9%	13.3%
APAC	14.0%	23.5%	21.8%	15.8%	19.8%
Total	100%	100%	100%	100%	100%



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

Non-GAAP Operating Expenses

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

	<u>Actual</u> 3Q 2008	<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>Forecast</u> 4Q 2009
R&D	\$9,378	\$9,209	\$35,188	\$6,707	\$6,361	\$6,330	\$6,200
S&M	\$8,111	\$7,897	\$33,491	\$6,657	\$6,480	\$6,293	\$6,300
G&A	\$1,888	\$1,786	\$7,252	\$1,114	\$1,066	\$1,133	\$1,100
Total	\$19,377	\$18,892	\$75,931	\$14,478	\$13,907	\$13,756	\$13,600

% of revenues

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>FY 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>	<u>4Q 2009</u>
R&D	43.5%	40.5%	41.5%	36.7%	32.5%	31.0%	28.8%
S&M	37.6%	34.7%	39.5%	36.4%	33.1%	30.8%	29.3%
G&A	8.8%	7.9%	8.6%	6.1%	5.4%	5.5%	5.1%
Total	89.9%	83.1%	89.6%	79.1%	71.0%	67.3%	63.2%

Data excluding deferred stock compensation according to FAS-123R and restructuring expenses.

Cash Flow

(U.S. Dollars in thousands)

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>
Cash & cash equivalents*	\$121,581	\$121,253	\$117,677	\$118,128	\$119,971
as percent of total assets	74%	75%	75%	74%	74%
Cash flow from operations	\$719	\$2,939	(\$2,114)	\$949	\$2,505
Capital expenditures	(\$469)	(\$683)	(\$320)	(\$510)	(\$679)
Option Exercise	\$0	\$5	\$0	\$12	\$17
Share Buyback	(\$2,133)	(\$2,589)	(\$1,142)	\$0	\$0
Net Change in Cash	(\$1,883)	(\$328)	(\$3,576)	\$451	\$1,843
Cash per basic share	\$6.00	\$6.10	\$6.01	\$6.08	\$6.17
# of basic shares	20,250	19,876	19,564	19,429	19,432

*Including short term and long term investments

Balance Sheet

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

	<u>3Q 2008</u>	<u>4Q 2008</u>	<u>1Q 2009</u>	<u>2Q 2009</u>	<u>3Q 2009</u>
Inventory Days	19	22	19	25	31
Inventory	\$983	\$1,185	\$824	\$1,119	\$1,450
DSOs (in days)	60	57	68	73	56
Target DSOs	55	55	55	55	55
Receivables	\$14,106	\$14,118	\$13,640	\$15,651	\$12,476

Actual Results and 4Q09 Guidelines

	3Q08a*	4Q08a*	2008a*	1Q09a*	2Q09a*	3Q09a*	4Q09f*
Revenue	\$21,555	\$22,740	\$84,747	\$18,299	\$19,582	\$20,429	\$21,500
COG	(4,808)	(4,941)	(18,379)	(4,016)	(4,141)	(4,222)	(4,500)
Gross Profit	\$16,747	\$17,799	\$66,368	\$14,283	\$15,441	\$16,207	\$17,000
	78%	78%	78%	78%	79%	79%	79%
R&D	(9,378)	(9,209)	(35,188)	(6,707)	(6,361)	(6,330)	(6,200)
S&M	(8,111)	(7,897)	(33,491)	(6,657)	(6,480)	(6,293)	(6,300)
G&A	(1,888)	(1,786)	(7,252)	(1,114)	(1,066)	(1,133)	(1,100)
Exp.	(\$19,377)	(\$18,892)	(\$75,931)	(\$14,478)	(\$13,907)	(\$13,756)	(\$13,600)
Op. Profit (loss)	(\$2,630)	(\$1,093)	(\$9,563)	(\$195)	\$1,534	\$2,451	\$3,400
Financial income	\$1,009	\$1,015	\$3,926	\$891	\$372	\$418	\$450
Tax benefit (expense)	(\$128)	(\$161)	(\$280)	(\$106)	(\$353)	(\$408)	(\$600)
Non GAAP Net Income (loss)	(\$1,749)	(\$239)	(\$5,917)	\$590	\$1,553	\$2,461	\$3,250
ARS Gain (Write-down)	(\$1,070)	\$129	(\$1,387)	(\$259)	\$0	(\$296)	\$0
Restructuring Expenses	\$0	(\$221)	(\$221)	\$0	\$0	\$0	\$0
FAS-123R Option expenses	(\$1,688)	(\$1,156)	(\$5,415)	(\$1,168)	(\$1,117)	(\$1,005)	(\$1,000)
GAAP Net Income (loss)	(\$4,507)	(\$1,487)	(\$12,940)	(\$837)	\$436	\$1,160	\$2,250
No. of diluted shares	20,250	19,876	20,472	19,564	19,519	19,666	19,550
Non GAAP Diluted EPS	(\$0.09)	(\$0.01)	(\$0.29)	\$0.03	\$0.08	\$0.13	\$0.17
Diluted EPS	(\$0.22)	(\$0.07)	(\$0.63)	(\$0.04)	\$0.02	\$0.06	\$0.12

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



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