

# Q1/11 Financial Review

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This presentation is designed to accompany  
the information given on the  
RADVISION Q1 2011 Earnings  
Conference Call on May 5, 2011.

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

## ✔ Video Business Unit (VBU)-

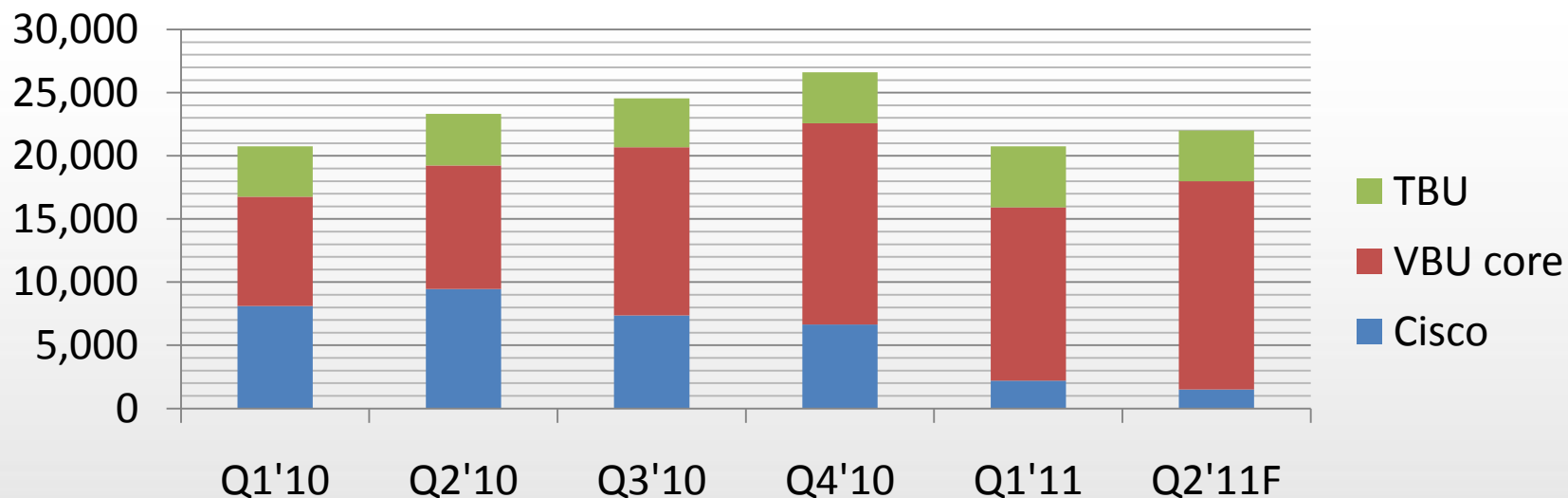
- ✔ Leading provider of IP-centric and 3G videoconferencing platforms (Network Infrastructure, Management Software, Meeting Room and Desktop Endpoints)
- ✔ Powered by RADVISION IP protocols (see below)
- ✔ Supports both legacy ISDN and IP protocols and all end points
- ✔ End to end solutions supporting 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 (\$K)

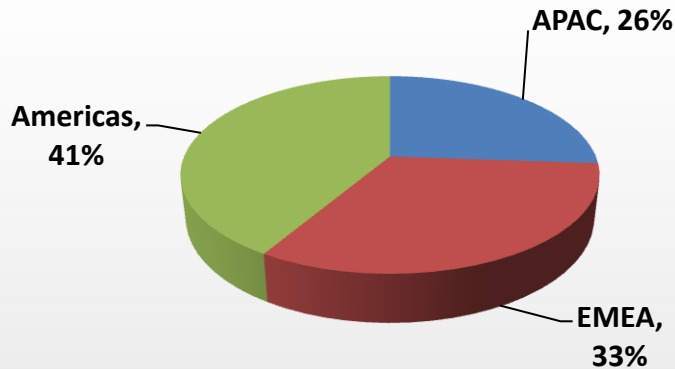
	<i>Actual</i> Q1/10	<i>Actual</i> Q2/10	<i>Actual</i> Q3/10	<i>Actual</i> Q4/10	<i>Actual</i> Q1/11	<i>Forecast</i> Q2/11
<b>VBU</b>	\$16,761	\$19,229	\$20,675	\$22,590	\$15,929	\$18,000
<b>TBU</b>	\$3,992	\$4,099	\$3,866	\$4,027	\$4,826	\$4,000
<b>Total</b>	\$20,753	\$23,328	\$24,541	\$26,617	\$20,755	\$22,000
Gross Margin	75.1%	74.2%	72.3%	72.9%	71.0%	70.9%



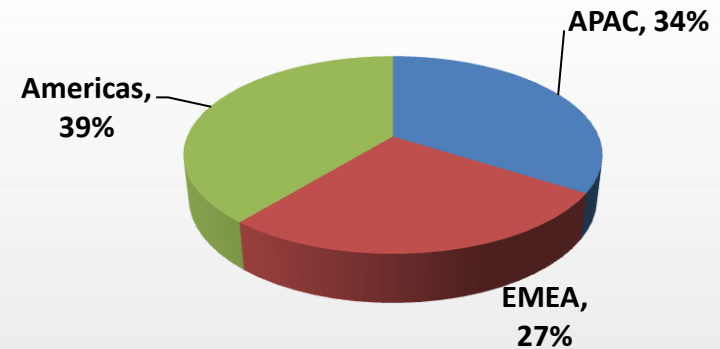
# Revenues- Geographic & Concentration

	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Americas	57%	60%	52%	41%	39%
EMEA	23%	20%	22%	33%	27%
APAC	20%	20%	26%	26%	34%
Total	100%	100%	100%	100%	100%

## Q4/10



## Q1/11



	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Top 10 Customers	65%	62%	54%	49%	40%

# NON-GAAP Operating Expenses

	Actual				Forecast	
	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Research & Development	\$ 7,341	\$ 7,674	\$ 7,455	\$ 7,400	\$ 7,749	\$ 7,900
Sales & Marketing	\$ 7,524	\$ 7,785	\$ 7,236	\$ 7,690	\$ 8,360	\$ 8,900
General & Administration	\$ 1,288	\$ 1,248	\$ 1,419	\$ 1,312	\$ 1,198	\$ 1,200
<b>Total</b>	<b>\$ 16,153</b>	<b>\$16,707</b>	<b>\$16,110</b>	<b>\$16,402</b>	<b>\$17,307</b>	<b>\$ 18,000</b>

% of revenues	Actual				Forecast	
	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Research & Development	35.4%	32.9%	30.4%	27.8%	37.3%	35.9%
Sales & Marketing	36.3%	33.4%	29.5%	28.9%	40.3%	40.5%
General & Administration	6.2%	5.3%	5.8%	4.9%	5.8%	5.5%
<b>Total</b>	<b>77.8%</b>	<b>71.6%</b>	<b>65.6%</b>	<b>61.6%</b>	<b>83.4%</b>	<b>81.8%</b>

Data excluding deferred stock compensation according to ASC 718, acquisition-related costs, amortization of purchased intangibles and acquisition-related restructuring expenses, net.

# Cash Flow

	<b>(U.S. Dollars in thousands)</b>				
	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>	<b>Q4/10</b>	<b>Q1/11</b>
Cash & cash equivalents*	\$123,389	\$122,240	\$115,452	\$116,385	\$110,170
as percent of total assets	75%	75%	71%	70%	68%
Cash flow from (used in) operations	\$4,769	(\$386)	\$1,018	\$1,713	(\$4,350)
Capital expenditures	(\$494)	(\$806)	(\$749)	(\$813)	(\$803)
Option exercise	\$45	\$43	\$73	\$33	\$1,172
Aethra acquisition	(\$6,984)	-	-	-	-
Buy back	-	-	(\$7,131)	-	(\$2,234)
Net change in cash	(\$2,664)	(\$1,149)	(\$6,789)	\$933	(\$6,215)
Cash per basic share	\$6.32	\$6.26	\$5.99	\$6.27	\$5.93
# of basic shares	19,513	19,521	19,287	18,564	18,593

*\*Including short term and long term investments*

# Balance Sheet

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

	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>	<b>Q4/10</b>	<b>Q1/11</b>
Inventory days	26	29	30	32	66
Inventory	\$1,516	\$1,920	\$2,218	\$2,556	\$4,335
DSOs (in days)	35	34	44	52	63
Target DSOs	55	55	55	55	55
Receivables	\$7,955	\$8,601	\$11,824	\$15,137	\$14,638

# Actual Results and 2Q/11 Guidelines

	Actual				Guidelines	
	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Sales	20,753	23,328	24,541	26,617	20,755	22,000
COGS	5,175	6,026	6,789	7,219	6,014	6,400
<b>Gross Profit</b>	<b>15,578</b>	<b>17,302</b>	<b>17,752</b>	<b>19,398</b>	<b>14,741</b>	<b>15,600</b>
<b>Gross Margin</b>	<b>75.1%</b>	<b>74.2%</b>	<b>72.3%</b>	<b>72.9%</b>	<b>71.0%</b>	<b>70.9%</b>
Research & Development	7,341	7,674	7,455	7,400	7,749	7,900
Sales & Marketing	7,524	7,785	7,236	7,690	8,360	8,900
General & Administration	1,288	1,248	1,419	1,312	1,198	1,200
<b>Total Operating Expenses</b>	<b>16,153</b>	<b>16,707</b>	<b>16,110</b>	<b>16,402</b>	<b>17,307</b>	<b>18,000</b>
<b>Operating Income (Loss)</b>	<b>(575)</b>	<b>595</b>	<b>1,642</b>	<b>2,996</b>	<b>(2,566)</b>	<b>(2,400)</b>
Financial Income	289	257	552	207	469	350
Tax Expense	(361)	(370)	(577)	(278)	(283)	(250)
<b>Non-GAAP Net Income (Loss)</b>	<b>(647)</b>	<b>482</b>	<b>1,617</b>	<b>2,925</b>	<b>(2,380)</b>	<b>(2,300)</b>
ASC 718 (previously FAS-123)	(658)	(613)	(571)	(783)	(485)	(500)
Amortization of Purchased Intangibles	(214)	(570)	(522)	(479)	(476)	(430)
ARS Write-down	(17)	(31)	(223)	(34)	(6)	-
Acquisition-related Costs	(364)	-	-	-	-	-
Acquisition-related Restructuring Expenses, net	(2,460)	-	-	(262)	-	-
<b>GAAP Net Income (Loss)</b>	<b>(4,360)</b>	<b>(732)</b>	<b>301</b>	<b>1,367</b>	<b>(3,347)</b>	<b>(3,230)</b>
<b>No. of Diluted Shares</b>	<b>19,513</b>	<b>19,521</b>	<b>19,359</b>	<b>18,734</b>	<b>18,593</b>	<b>18,500</b>
<b>Non-GAAP Diluted EPS</b>	<b>(\$0.03)</b>	<b>\$0.02</b>	<b>\$0.08</b>	<b>\$0.16</b>	<b>(\$0.13)</b>	<b>(\$0.12)</b>
<b>GAAP Diluted EPS</b>	<b>(\$0.22)</b>	<b>(\$0.04)</b>	<b>\$0.02</b>	<b>\$0.07</b>	<b>(\$0.18)</b>	<b>(\$0.17)</b>

(\*) Operating expense data excluding deferred stock compensation according to ASC 718, acquisition-related expenses, amortization of purchased intangibles and acquisition-related restructuring expenses, net.

# Thank you!

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