

# Q3/10 Financial Review

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Name: Adi Sfadia

Title: CFO

This presentation is designed to accompany  
the information given on the  
RADVISION Q3 2010 Earnings  
Conference Call on October 28, 2010.

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)-

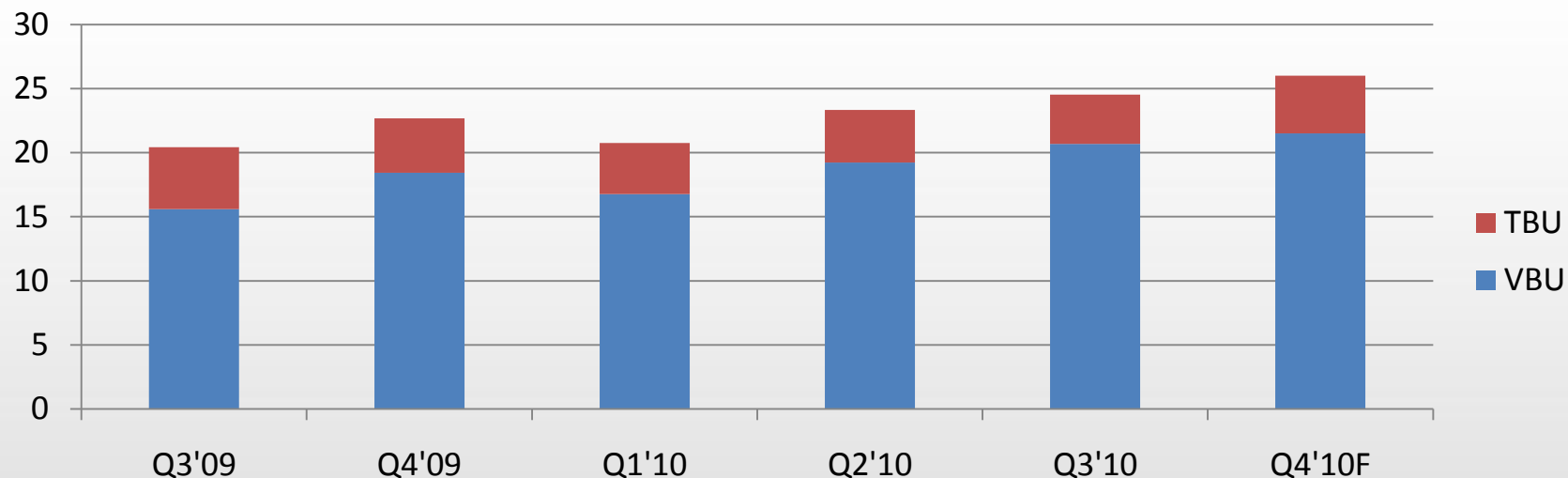
- ✔ Leading provider of IP-centric and 3G videoconferencing platforms (Network Infrastructure, Management Software, Meeting Room and Desktop Endpoints)
- ✔ Powered by RADVISION IP protocols (see below)
- ✔ Supports both legacy ISDN and IP protocols and all end points
- ✔ End to end solutions supporting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

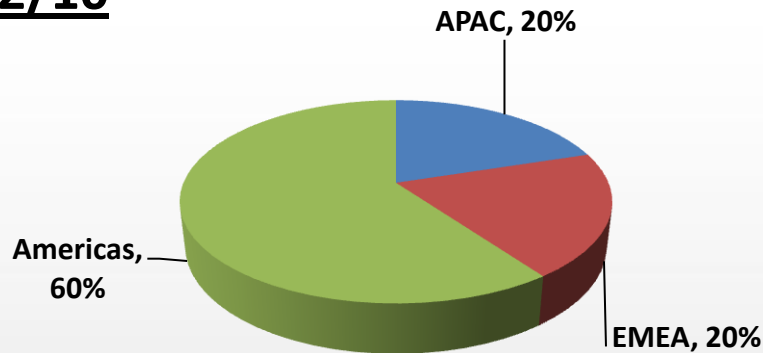
	<i>Actual</i> Q3/09	<i>Actual</i> Q4/09	<i>Actual</i> Q1/10	<i>Actual</i> Q2/10	<i>Actual</i> Q3/10	<i>Forecast</i> Q4/10
<b>VBU</b>	\$15,604	\$18,430	\$16,761	\$19,229	\$20,675	\$21,500
<b>TBU</b>	\$4,825	\$4,258	\$3,992	\$4,099	\$3,866	\$4,500
<b>Total</b>	\$20,429	\$22,688	\$20,753	\$23,328	\$24,541	\$26,000
Gross Margin	78.9%	79.3%	75.1%	74.2%	72.3%	71.5%



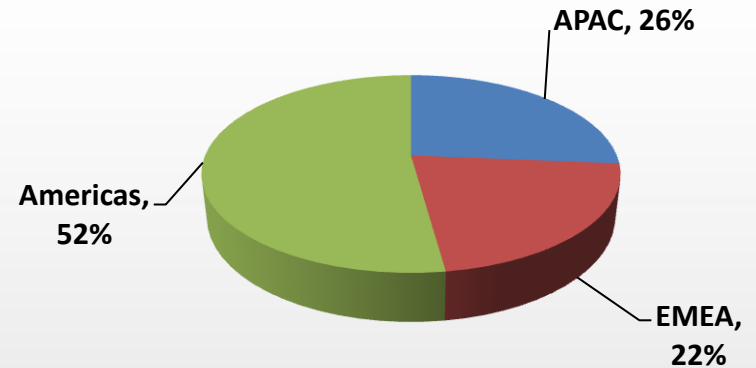
# Revenues- Geographic & Concentration

	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10
Americas	66.90%	60.40%	57.30%	60.00%	52.20%
EMEA	13.30%	17.90%	23.20%	20.10%	21.50%
APAC	19.80%	21.70%	19.50%	19.90%	26.30%
Total	100%	100%	100%	100%	100%

Q2/10



Q3/10



	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10
Top 10 Customers	70%	64%	65%	62%	54%

# NON-GAAP Operating Expenses

			Actual			Forecast	
	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	
Research & Development	\$ 6,330	\$ 6,254	\$ 7,341	\$ 7,674	\$ 7,455	\$ 7,300	
Sales & Marketing	\$ 6,293	\$ 6,505	\$ 7,524	\$ 7,785	\$ 7,236	\$ 7,500	
General & Administration	\$ 1,133	\$ 1,157	\$ 1,288	\$ 1,248	\$ 1,419	\$ 1,300	
<b>Total</b>	<b>\$ 13,756</b>	<b>\$ 13,916</b>	<b>\$ 16,153</b>	<b>\$ 16,707</b>	<b>\$ 16,110</b>	<b>\$ 16,100</b>	

% of revenues			Actual			Forecast	
	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	
Research & Development	31.0%	27.6%	35.4%	32.9%	30.4%	29.2%	
Sales & Marketing	30.8%	28.7%	36.3%	33.4%	29.5%	30.0%	
General & Administration	5.5%	5.1%	6.2%	5.3%	5.8%	5.2%	
<b>Total</b>	<b>67.3%</b>	<b>61.3%</b>	<b>77.8%</b>	<b>71.6%</b>	<b>65.6%</b>	<b>64.4%</b>	

Data excluding deferred stock compensation according to ASC 718 (previously FAS-123R), acquisition-related costs, amortization of purchased intangibles and acquisition-related restructuring expenses, net.

# Cash Flow

	<b>(U.S. Dollars in thousands)</b>				
	<b>Q3/09</b>	<b>Q4/09</b>	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>
Cash & cash equivalents*	\$119,971	\$126,053	\$123,389	\$122,240	\$115,452
as percent of total assets	74%	78%	75%	75%	71%
Cash flow from operations	\$2,505	\$6,257	\$4,769	(\$386)	\$1,018
Capital expenditures	(\$679)	(\$592)	(\$494)	(\$806)	(\$749)
Option Exercise	\$17	\$417	\$45	\$43	\$73
Aethra Purchase	-	-	(\$6,984)	-	-
Buy Back	-	-	-	-	(\$7,131)
Net Change in Cash	\$1,843	\$6,082	(\$2,664)	(\$1,149)	(\$6,789)
Cash per basic share	\$6.17	\$6.47	\$6.32	\$6.26	\$5.99
# of basic shares	19,432	19,471	19,513	19,521	19,287

*\*Including short term and long term investments*

# Balance Sheet

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

	<b>Q3/09</b>	<b>Q4/09</b>	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>
Inventory Days	31	19	26	29	30
Inventory	\$1,450	\$980	\$1,516	\$1,920	\$2,218
DSOs (in days)	56	47	35	34	44
Target DSOs	55	55	55	55	55
Receivables	\$12,476	\$11,712	\$7,955	\$8,601	\$11,824

# Actual Results and 4Q10 Guidelines

	Actual				Guidelines	
	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
Sales	20,429	22,688	20,753	23,328	24,541	26,000
COGS	4,222	4,661	5,175	6,026	6,789	7,400
<b>Gross Profit</b>	<b>16,207</b>	<b>18,027</b>	<b>15,578</b>	<b>17,302</b>	<b>17,752</b>	<b>18,600</b>
<b>Gross Margin</b>	<b>79.3%</b>	<b>79.5%</b>	<b>75.1%</b>	<b>74.2%</b>	<b>72.3%</b>	<b>71.5%</b>
Research & Development	6,330	6,254	7,341	7,674	7,455	7,300
Sales & Marketing	6,293	6,505	7,524	7,785	7,236	7,500
General & Administration	1,133	1,157	1,288	1,248	1,419	1,300
<b>Total Operating Expenses</b>	<b>13,756</b>	<b>13,916</b>	<b>16,153</b>	<b>16,707</b>	<b>16,110</b>	<b>16,100</b>
<b>Operating income (loss)</b>	<b>2,451</b>	<b>4,111</b>	<b>(575)</b>	<b>595</b>	<b>1,642</b>	<b>2,500</b>
Financial Income	418	593	289	257	552	330
Tax expense	(408)	(283)	(361)	(370)	(577)	(600)
<b>Non-GAAP Net income (loss)</b>	<b>2,461</b>	<b>4,421</b>	<b>(647)</b>	<b>482</b>	<b>1,617</b>	<b>2,230</b>
ARS Write-down	(296)	-	(17)	(31)	(223)	-
ASC 718 (previously FAS-123)	(1,005)	(1,034)	(658)	(613)	(571)	(550)
Deferred tax asset Write-down	-	(4,340)	-	-	-	-
Acquisition-related costs	-	(580)	(364)	-	-	-
Amortization of purchased Intangibles	-	-	(214)	(570)	(522)	(522)
Acquisition-related restructuring expenses, net	-	-	(2,460)	-	-	-
<b>GAAP Net income (loss)</b>	<b>1,160</b>	<b>(1,533)</b>	<b>(4,360)</b>	<b>(732)</b>	<b>301</b>	<b>1,158</b>
<b>No. of diluted shares</b>	<b>19,666</b>	<b>19,471</b>	<b>19,513</b>	<b>19,521</b>	<b>19,359</b>	<b>18,640</b>
<b>Non-GAAP Diluted EPS</b>	<b>\$0.13</b>	<b>\$0.23</b>	<b>(\$0.03)</b>	<b>\$0.02</b>	<b>\$0.08</b>	<b>\$0.12</b>
<b>GAAP Diluted EPS</b>	<b>\$0.06</b>	<b>(\$0.08)</b>	<b>(\$0.22)</b>	<b>(\$0.04)</b>	<b>\$0.02</b>	<b>\$0.06</b>

(\*) Operating expense data excluding deferred stock compensation according to ASC 718 (previously FAS-123R), acquisition-related expenses, amortization of purchased intangibles and acquisition-related restructuring expenses, net.

# Thank you!

Name: Adi Sfadia  
cfo@radvision.com

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