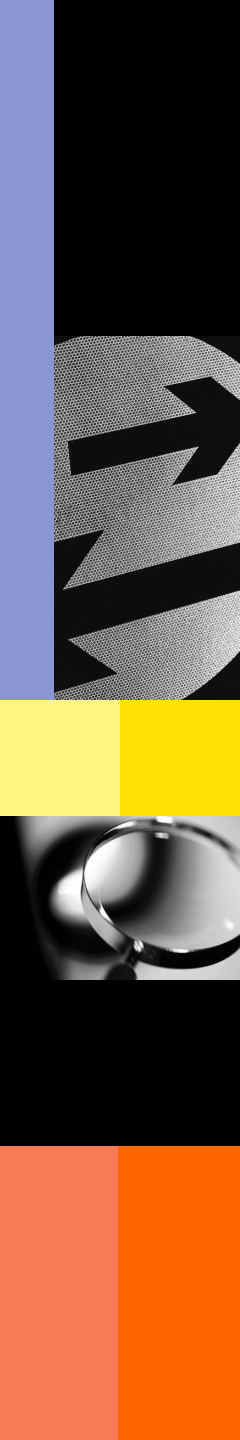


4Q04 Financial Review

This presentation is designed to accompany the information given on the RADVISION Q4 2004 Earnings Conference Call on February 2, 2004

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CFO





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 10-K 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** (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

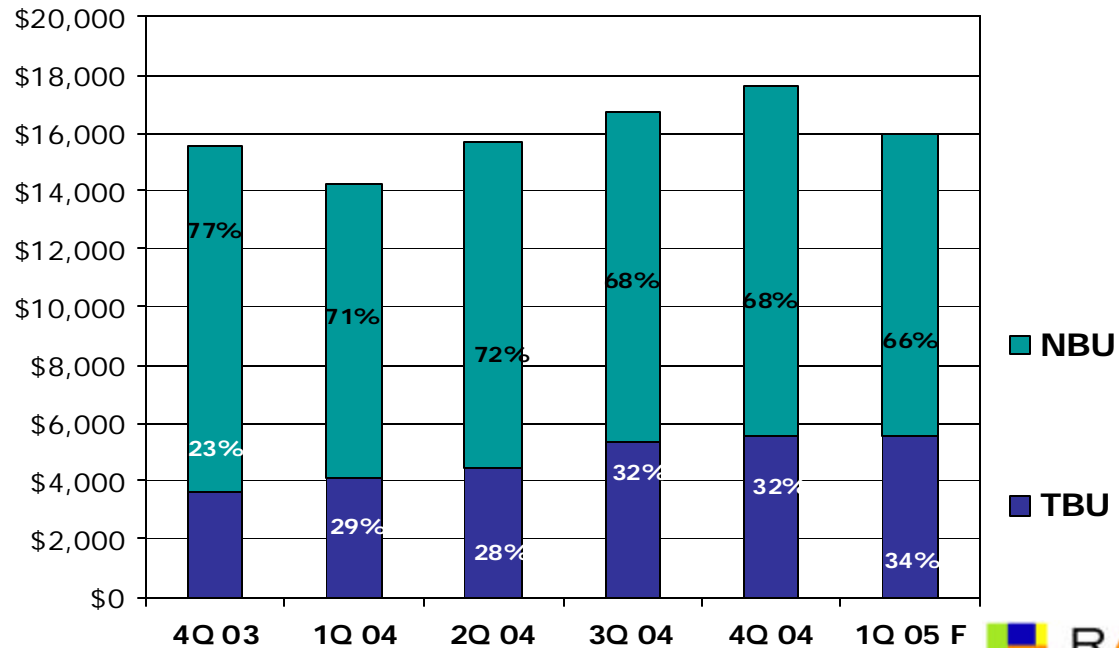
■ Technology Business Unit (TBU)

- Dominant leader in providing **IP Software and Toolkits**
- Supplies IP, 3G protocols and toolkits (H.323, SIP, MGCP, 3G-324M)
- Used by companies to develop equipment for voice/video over IP and 3G wireless (IP phones, servers, 3G cell phones, etc.)
- The leading brand name for 12 years
- Large customer base of over 500 licensees

Revenues - General

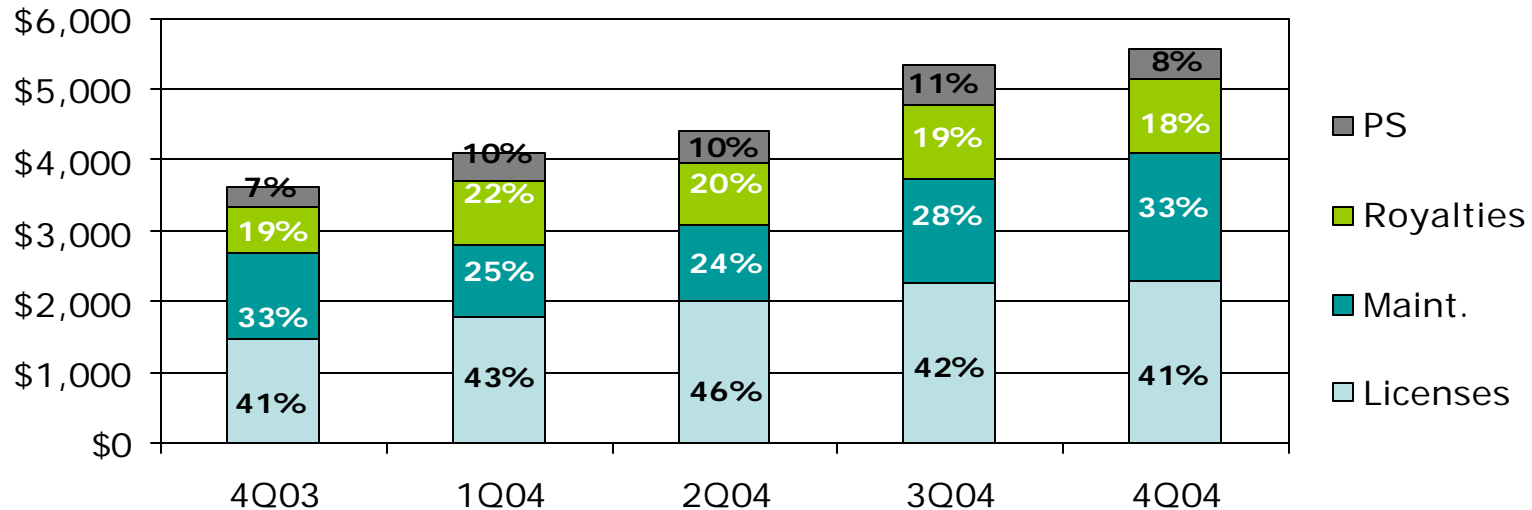
(Un-audited)

	<i>Actual</i> 4Q 2003	<i>Actual</i> FY2003	<i>Actual</i> 1Q 2004	<i>Actual</i> 2Q 2004	<i>Actual</i> 3Q 2004	<i>Actual</i> 4Q 2004	<i>Actual</i> FY2004	<i>Forecast</i> 1Q 2005
TBU	\$3,608	\$13,245	\$4,096	\$4,407	\$5,333	\$5,589	\$19,424	\$5,500
NBU	\$11,958	\$38,059	\$10,166	\$11,298	\$11,375	\$11,973	\$44,812	\$10,500
Total	\$15,566	\$51,304	\$14,261	\$15,705	\$16,708	\$17,562	\$64,236	\$16,000
Gross Margin	77.8%	77.9%	78.3%	78.3%	79.5%	81.9%	79.6%	81.3%



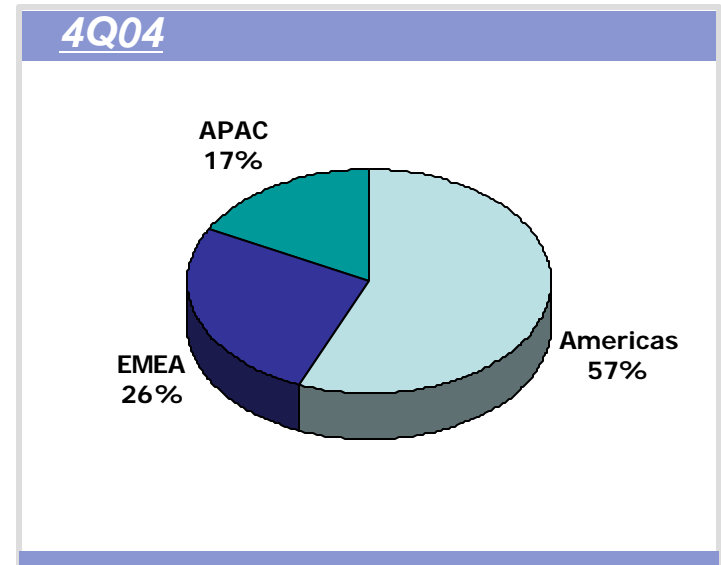
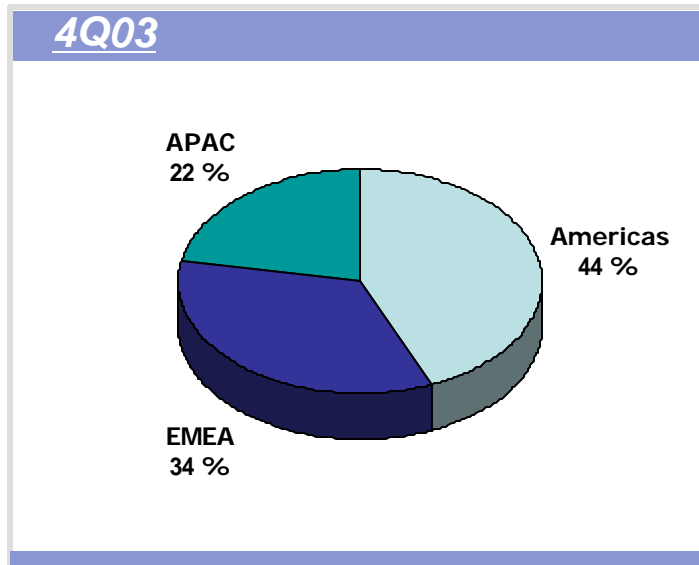
Revenues - TBU

	<i>Actual</i> 4Q 2003	<i>Actual</i> FY2003	<i>Actual</i> 1Q 2004	<i>Actual</i> 2Q 2004	<i>Actual</i> 3Q 2004	<i>Actual</i> 4Q 2004	<i>Actual</i> FY2004
PS	\$260	\$866	\$396	\$442	\$569	\$435	\$1,842
Royalties	\$673	\$2,537	\$901	\$895	\$1,014	\$1,050	\$3,860
Maint.	\$1,202	\$4,681	\$1,020	\$1,067	\$1,490	\$1,818	\$5,395
Licenses	\$1,473	\$5,161	\$1,779	\$2,002	\$2,260	\$2,286	\$8,327
Total	\$3,608	\$13,245	\$4,096	\$4,407	\$5,333	\$5,589	\$19,424



Revenues – Geographic & Concentration

	<u>4Q03</u>	<u>1Q04</u>	<u>2Q04</u>	<u>3Q04</u>	<u>4Q04</u>
Americas	43.6%	56.0%	49.6%	47.6%	56.5%
EMEA	34.4%	27.7%	34.2%	29.7%	26.2%
APAC	21.9%	16.3%	16.2%	22.7%	17.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



	<u>4Q03</u>	<u>1Q04</u>	<u>2Q04</u>	<u>3Q04</u>	<u>4Q04</u>
Top 10 Customers	50%	55%	60%	54%	59%

Operating Expenses

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

	<u>Actual</u> 4Q 2003	<u>Actual</u> FY2003	<u>Actual</u> 1Q 2004*	<u>Actual</u> 2Q 2004	<u>Actual</u> 3Q 2004*	<u>Actual</u> 4Q 2004	<u>Actual</u> FY2004*	<u>Forecast</u> 1Q 2005
R&D	\$3,720	\$14,573	\$3,780	\$4,282	\$4,553	\$4,539	\$17,154	\$5,000
S&M	\$5,362	\$19,969	\$5,837	\$6,127	\$6,305	\$6,351	\$24,620	\$6,500
G&A	\$1,096	\$4,040	\$1,240	\$1,210	\$1,213	\$1,237	\$4,900	\$1,200
Total	\$10,179	\$38,582	\$10,857	\$11,619	\$12,071	\$12,127	\$46,674	\$12,700

% of revenues

	<u>4Q 2003</u>	<u>FY2003</u>	<u>1Q 2004</u>	<u>2Q 2004</u>	<u>3Q 2004</u>	<u>4Q 2004</u>	<u>FY2004</u>	<u>1Q 2005</u>
R&D	23.9%	28.4%	26.5%	27.3%	27.3%	25.8%	26.7%	31.3%
S&M	34.4%	38.9%	40.9%	39.0%	37.7%	36.1%	38.3%	40.6%
G&A	7.0%	7.9%	8.7%	7.7%	7.3%	7.0%	7.6%	7.5%
Total	65.4%	75.2%	76.1%	74.0%	72.3%	68.9%	72.7%	79.4%

* Excluding one-time items

Cash Flow

	<u>4Q 2003</u>	<u>1Q 2004</u>	<u>2Q 2004</u>	<u>3Q 2004</u>	<u>4Q 2004</u>
Cash & cash equivalents*	\$99,911	\$102,269	\$104,832	\$105,386	\$110,366
as percent of total assets	85%	85%	85%	83%	84%
Cash flow from operations	\$2,794	\$1,580	\$2,653	\$1,834	\$2,189
Capital expenditures	(\$154)	(\$516)	(\$727)	(\$485)	(\$613)
Option Exercise net of Share Buyback	\$2,820	\$1,294	\$637	\$525	\$3,404
Acquisition of IP and other assets**				(\$1,320)	
Net Change in Cash	\$5,460	\$2,358	\$2,563	\$1,874	\$4,980
Cash per basic share	\$5.23	\$5.25	\$5.31	\$5.31	\$5.45
# of basic shares	19,094	19,484	19,711	19,854	20,239

*Including long term investments

**Related to the acquisition of Intellectual Property and developer assets from VisionNex

Balance Sheet

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

	<u>4Q 2003</u>	<u>1Q 2004</u>	<u>2Q 2004</u>	<u>3Q 2004</u>	<u>4Q 2004</u>
Inventory Days	26	35	26	30	35
Inventory	\$969	\$1,187	\$967	\$1,127	\$1,220
DSOs (in days)	51	54	53	57	52
Target DSOs	55	55	55	55	55
Receivables	\$8,686	\$8,463	\$9,176	\$10,609	\$10,063

Actual Results and 1Q05 Guidelines

	4Q03a	2003a	1Q04a	2Q04a	3Q04a	4Q04a	2004a	1Q05f
Revenue	\$15,566	\$51,304	\$14,261	\$15,705	\$16,708	\$17,562	\$64,236	\$16,000
COG	-3,461	-11,351	-3,097	-3,398	-3,426	-3,187	-13,108	-3,000
Gross Profit	\$12,105	\$39,953	\$11,164	\$12,307	\$13,282	\$14,375	\$51,128	\$13,000
	78%	78%	78%	78%	79%	82%	80%	81%
R&D	-3,720	-14,573	-3,780	-4,282	-4,553	-4,539	-17,154	-5,000
S&M	-5,361	-19,969	-5,837	-6,127	-6,305	-6,351	-24,620	-6,500
G&A	-1,096	-4,040	-1,240	-1,210	-1,213	-1,237	-4,900	-1,200
Exp.	(\$10,177)	(\$38,582)	(\$10,857)	(\$11,619)	(\$12,071)	(\$12,127)	(\$46,674)	(\$12,700)
OPP. Profit before one-time income/(expense)	\$1,928	\$1,371	\$307	\$688	\$1,211	\$2,248	\$4,454	\$300
One-time income/(expense)			\$1,061		(\$330)		\$731	
OPP. Profit after one-time income/(expense)	\$1,928	\$1,371	\$1,368	\$688	\$881	\$2,248	\$5,185	\$300
Financial income	\$504	\$2,131	\$412	\$432	\$500	\$516	\$1,860	\$500
Net Income	\$2,432	\$3,502	\$1,780	\$1,120	\$1,381	\$2,764	\$7,045	\$800
No. of diluted shares	21,297	19,963	21,567	21,400	21,149	21,521	21,399	21,700
EPS before one-time income/(expense)	\$0.11	\$0.18	\$0.03	\$0.05	\$0.08	\$0.13	\$0.30	\$0.04
EPS after one-time income/(expense)			\$0.08		\$0.07	\$0.13	\$0.33	

Thank You



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