

PRESS RELEASE

Corporate Contacts:

Tsipi Kagan
Chief Financial Officer
RADVISION
+1 201-689-6340
cfo@radvision.com

Investor Relations:

June Filingeri
Comm-Partners LLC
+1 203-972-0186
junefil@optonline.net

RADVISION REPORTS THIRD QUARTER 2007 RESULTS - Revenues of \$20.7 Million Are in Line with Revised Forecast -

TEL AVIV, November 1, 2007 -- RADVISION® (Nasdaq: RVSN) today announced that revenues for the third quarter of 2007 were \$20.7 million, which is in line with the Company's revised forecast reported on October 1. This compares to revenues of \$23.6 million reported in the third quarter of 2006.

The Company incurred an operating loss of \$1.4 million for the third quarter of 2007 compared with operating income of \$1.1 million in the third quarter of 2006. Excluding the effects of stock-based compensation expense related to the adoption of FAS123R in both periods, non-GAAP operating income was breakeven in the third quarter of 2007 compared with operating income of \$2.3 million in third quarter of 2006.

Net income for the third quarter of 2007 was \$0.2 million, or \$0.01 per diluted share, compared with \$2.0 million, or \$0.09 per diluted share, in the 2006 third quarter. Excluding the effect of stock-based compensation expense (which amounted to \$1.4 million or \$0.06 per diluted share in the 2007 third quarter and \$1.2 million or \$0.05 per diluted share in the 2006 third quarter), non-GAAP net income for the third quarter of 2007 was \$1.6 million, or \$0.07 per diluted share, compared with \$3.2 million, or \$0.14 per diluted share, reported in the third quarter of 2006.

Business unit revenues for the third quarter of 2007 consisted of \$14.4 million in Networking Business Unit (NBU) sales compared with \$17.7 million in the third quarter of 2006, and \$6.3 million in Technology Business Unit (TBU) sales compared with \$5.9 million in the 2006 third quarter.

For the first nine months of 2007, revenues were \$69.7 million, operating income was \$2.2 million and net income was \$7.4 million or \$0.33 per diluted share. This compares with revenues of \$65.8 million, operating income of \$5.1 million and net income of \$8.1 million or \$0.36 per diluted share in the first nine months of 2006. Excluding the effect of stock-based compensation expense (which amounted to \$4.1 million or \$0.17 per diluted share in the first nine months of 2007 and \$3.5 million or \$0.15 per diluted share for the first nine months of 2006), non-GAAP operating income for the first nine months of 2007 was \$6.3 million and net income was \$11.5 million or \$0.50 per diluted share compared with non-GAAP operating income of \$8.5 million and net income of \$11.6 million or \$0.51 per diluted share for the first nine months of 2006.

The Company ended the third quarter of 2007 with approximately \$135.2 million in cash and liquid investments, equivalent to \$6.21 per basic share, an increase of \$3.3 million from June 30, 2007. The increase reflects cash flow from operating activities of \$9.4 million and proceeds of \$0.9 million from the exercise of options offset in part by the use of \$6.3 million for the repurchase of 361,240 Company shares and \$0.7 million of capital expenditures.

Boaz Raviv, Chief Executive Officer, commented: "Despite better-than-expected revenues for our TBU, on-target sales through our channel partner Cisco, and accomplishments company-wide, our performance in the third quarter of 2007 did not match our original expectations. This was due to slippage of some expected sales and the fact that our High Definition SCOPIA® Platform did not yet offer Continuous Presence, which resulted in lost potential sales in the third quarter, as we previously reported.

"We were pleased to announce earlier this week that our SCOPIA V5.5 platform with HD Continuous Presence has now been released. Our SCOPIA MCU utilizes shared encoder technology that allows us to provide very

high quality High Definition, while keeping its price in the range of Standard Definition MCUs. SCOPIA V5.5 also offers what no other comparable product can – SCOPIA Desktop, which makes it a complete Unified Communications solution.

“We now plan to focus on strengthening our reseller channel while fully supporting our OEM relationships. We believe our advantage as an independent network provider combined with the strength of our product portfolio will enable us to be successful in this effort, although we are realistic that it will take time to reach our goals.

“Our fourth quarter forecast is based on this realism as well as our expectation that our sales through Cisco and those for our mobile product line and our TBU products will be in line with those of the third quarter of 2007.

Mr. Raviv concluded: “We are fully determined to get back on track with our growth trend. We expect to do so no later than the second half of 2008. We are fully confident in our ultimate success.”

Guidance

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

The Company expects revenues for the fourth quarter of 2007 to be approximately \$22.0 million and net income to approximate \$1.2 million or \$0.06 per diluted share. This includes stock-based compensation expense related to the adoption of FAS123R of \$1.4 million or \$0.06 per diluted share. Excluding this item, fourth quarter 2007 non-GAAP net income is expected to be \$2.6 million or \$0.12 per diluted share. That compares to fourth quarter 2006 revenues of \$25.3 million and net income of \$7.2 million or \$0.31 per diluted share, which included a tax benefit of \$2.1 million, equivalent to \$0.09 per diluted share. It also included stock-based compensation expense related to the adoption of FAS123R of \$1.3 million or \$0.06 per diluted share. Excluding the effect of stock-based compensation expense, net income for the fourth quarter of 2006 was \$8.5 million or \$0.37 per diluted share. (Full details are available on the Company’s web site at www.radvision.com.)

GAAP versus NON-GAAP Presentation

To supplement the consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses non-GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude the expenses recorded for stock compensation in accordance with SFAS 123(R). These non-GAAP financial measures are provided to enhance overall understanding of the current financial performance and prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management, and investors as these non-GAAP results exclude the expenses recorded for stock compensation in accordance with SFAS 123(R) that the Company believes are not indicative of the core operating results. Further, these non-GAAP results are one of the primary indicators management uses for assessing the Company's performance, allocating resources and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. These non-GAAP measures may be different than the non-GAAP measures used by other companies.

Third Quarter 2007 Earnings Conference Call/Webcast

RADVISION will hold a conference call to discuss its third quarter 2007 results and fourth quarter 2007 outlook, today, Thursday, November 1, 2007 at 9:00 a.m. (Eastern). To access the conference call, please dial 1-888-790-1752 (International dialers may call +1-210-234-8001) by 8:45 a.m. (Eastern). The passcode “RADVISION” will be required to access the live conference call. A live webcast of the conference call also will be available on the Company's website and archived on the site until the next quarter. Simply click on the following link or copy it onto your browser: www.radvision.com/Corporate/Investors/FinancialReports/. 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 8th. To access the replay, please dial 1-800-846-6092 (International dialers may call +1-402-998-1136).

The PowerPoint presentation highlighting key financial metrics as well as the fourth quarter 2007 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 1st and will be archived on the website until the end of the fourth quarter.

About RADVISION

RADVISION (Nasdaq: RVSN) is the industry's leading provider of market-proven products and technologies for unified visual communications over IP and 3G networks. With its complete set of standards-based video networking infrastructure and developer toolkits for voice, video, data and wireless communications, RADVISION is driving the unified communications evolution by combining the power of video, voice, data and wireless – for high definition videoconferencing systems, innovative converged mobile services, and highly scalable video-enabled desktop platforms on IP, 3G and emerging next-generation networks. For more information about RADVISION, visit 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 its Annual Report on Form 20-F. 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 -

CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands, except per share data

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
	Unaudited			
Revenues	\$ 20,708	\$ 23,622	\$ 69,667	\$ 65,762
Cost of revenues	4,017	4,833	13,855	12,913
Gross profit	16,691	18,789	55,812	52,849
Operating costs and expenses:				
Research and development	7,504	6,571	22,819	18,476
Marketing and selling	7,944	7,635	24,120	22,801
General and administrative	2,615	1,629	6,665	4,605
Patent settlement reserve	-	1,900	-	1,900
Total operating costs and expenses	18,063	17,735	53,604	47,782
Operating income (loss)	(1,372)	1,054	2,208	5,067
Financial income, net	1,483	1,500	5,013	4,204
Income before taxes on income	111	2,554	7,221	9,271
Taxes benefit (expense)	123	(569)	180	(1,178)
Net income	\$ 234	\$ 1,985	\$ 7,401	\$ 8,093
Basic net earnings per Ordinary share	\$ 0.01	\$ 0.09	\$ 0.33	\$ 0.37
Weighted Average Number of Shares Outstanding During the Period – Basic	21,761,491	22,082,339	22,108,888	22,097,909
Diluted net earnings per Ordinary share	\$ 0.01	\$ 0.09	\$ 0.33	\$ 0.36
Weighted Average Number of Shares Outstanding During the Period – Diluted	22,231,239	22,589,133	22,770,996	22,719,826

CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands, except per share data

Reconciliation of GAAP to NON-GAAP Operating Results

To supplement the consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses non-GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude the expenses recorded for stock compensation in accordance with SFAS 123(R). These non-GAAP financial measures are provided to enhance overall understanding of the current financial performance and prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management, and investors as these non-GAAP results exclude the expenses recorded for stock compensation in accordance with SFAS 123(R) that the Company believes are not indicative of the core operating results. Further, these non-GAAP results are one of the primary indicators management uses for assessing the Company's performance, allocating resources and planning and forecasting future periods. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. These non-GAAP measures may be different than the non-GAAP measures used by other companies. The following table reconciles the GAAP to non-GAAP operating results:

	Three months ended September 30, 2007		
	(Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation	Non-GAAP results Pro Forma
Gross profit	\$ 16,691	\$ 92	\$ 16,783
Total operating costs and expenses	\$ 18,063	\$ 1,312	\$ 16,751
Operating income (loss)	\$ (1,372)	\$ 1,404	\$ 32
Income before taxes on income	\$ 111	\$ 1,404	\$ 1,515
Net income	\$ 234	\$ 1,404	\$ 1,638
Basic net earnings per Ordinary share	\$ 0.01	\$ 0.07	\$ 0.08
Diluted net earnings per Ordinary share	\$ 0.01	\$ 0.06	\$ 0.07

	Three months ended September 30, 2006		
	(Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation	Non-GAAP results Pro Forma
Gross profit	\$ 18,789	\$ 99	\$ 18,888
Total operating costs and expenses	\$ 17,735	\$ 1,116	\$ 16,619
Operating income	\$ 1,054	\$ 1,215	\$ 2,269
Income before taxes on income	\$ 2,554	\$ 1,215	\$ 3,769
Net income	\$ 1,985	\$ 1,215	\$ 3,200
Basic net earnings per Ordinary share	\$ 0.09	\$ 0.06	\$ 0.15
Diluted net earnings per Ordinary share	\$ 0.09	\$ 0.05	\$ 0.14

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except per share data

	Nine months ended September 30, 2007		
	(Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation	Non-GAAP results Pro Forma
Gross profit	\$ 55,812	\$ 280	\$ 56,092
Total operating costs and expenses	\$ 53,604	\$ 3,788	\$ 49,816
Operating income	\$ 2,208	\$ 4,068	\$ 6,276
Income before taxes on income	\$ 7,221	\$ 4,068	\$ 11,289
Net income	\$ 7,401	\$ 4,068	\$ 11,469
Basic net earnings per Ordinary share	\$ 0.33	\$ 0.19	\$ 0.52
Diluted net earnings per Ordinary share	\$ 0.33	\$ 0.17	\$ 0.50

	Nine months ended September 30, 2006		
	(Unaudited)		
	GAAP results (as reported)	Non-GAAP adjustment share-based compensation	Non-GAAP results Pro Forma
Gross profit	\$ 52,849	\$ 264	\$ 53,113
Total operating costs and expenses	\$ 47,782	\$ 3,194	\$ 44,588
Operating income	\$ 5,067	\$ 3,458	\$ 8,525
Income before taxes on income	\$ 9,271	\$ 3,458	\$ 12,729
Net income	\$ 8,093	\$ 3,458	\$ 11,551
Basic net earnings per Ordinary share	\$ 0.37	\$ 0.15	\$ 0.52
Diluted net earnings per Ordinary share	\$ 0.36	\$ 0.15	\$ 0.51

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands, except per share data

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
	<u>Unaudited</u>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents *)	\$ 31,434	\$ 23,110
Short-term bank deposits *)	42,780	48,357
Short-term held-to-maturity marketable securities *)	39,100	36,048
Trade receivables	13,930	12,866
Other accounts receivable and prepaid expenses	4,694	5,838
Inventories	1,706	2,979
Total current assets	<u>133,644</u>	<u>129,198</u>
LONG-TERM INVESTMENTS AND RECEIVABLES:		
Long-term bank deposits *)	-	11,365
Long-term held-to-maturity marketable securities *)	21,899	26,691
Long-term prepaid expenses	1,703	-
Severance pay fund	4,442	3,481
Long-term deferred tax asset	3,363	2,797
Total long-term investments and receivables	<u>31,407</u>	<u>44,334</u>
Property and equipment, net	<u>5,463</u>	<u>3,609</u>
Goodwill	<u>2,966</u>	<u>2,966</u>
Other intangible assets, net	<u>1,634</u>	<u>2,452</u>
Total assets	<u>\$ 175,114</u>	<u>\$ 182,559</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 3,096	\$ 2,919
Deferred revenues	5,394	8,748
Accrued expenses and other accounts payable	12,621	13,870
Total current liabilities	<u>21,111</u>	<u>25,537</u>
Accrued severance pay	<u>5,581</u>	<u>4,417</u>
Total liabilities	<u>26,692</u>	<u>29,954</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.1 par value	234	228
Additional paid-in capital	133,971	126,944
Treasury stock	(17,653)	(1,670)
Accumulated other comprehensive income	431	-
Retained earnings	31,439	27,103
Total shareholders' equity	<u>148,422</u>	<u>152,605</u>
Total liabilities and shareholders' equity	<u>\$ 175,114</u>	<u>\$ 182,559</u>
*) Total cash and liquid investments	<u>\$ 135,213</u>	<u>\$ 145,571</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,	
	2007	2006
	Unaudited	
<u>Cash flows from operating activities:</u>		
Net income	\$ 7,401	\$ 8,093
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,891	2,097
Accrued interest and amortization of premium on held-to-maturity marketable securities and bank deposits, net	(276)	(967)
Amortization of deferred stock compensation	4,068	3,458
Gain on sale of property and equipment	-	(22)
Increase in trade receivables, net	(1,064)	(3,399)
Decrease in other accounts receivable and prepaid expenses	2,528	1,362
Decrease (increase) in inventories	1,273	(517)
Increase in long-term prepaid expenses	(1,703)	-
Increase in deferred tax asset	(1,637)	(54)
Increase (decrease) in trade payables	177	(212)
Increase (decrease) in deferred revenues	(3,354)	643
Increase (decrease) in other accounts payable and accrued expenses	(1,249)	2,429
Accrued severance pay, net	203	228
	<u>9,258</u>	<u>13,139</u>
Net cash provided by operating activities		
<u>Cash flows from investing activities:</u>		
Proceeds from redemption of held-to-maturity marketable securities	40,230	41,804
Purchase of held-to-maturity marketable securities	(38,148)	(43,998)
Proceeds from withdrawal of bank deposits	103,334	10,161
Purchase of bank deposits	(86,458)	(30,809)
Purchase of property and equipment	(3,927)	(1,600)
Proceeds from sale of property and equipment	-	22
	<u>15,031</u>	<u>(24,420)</u>
Net cash provided by (used in) investing activities		
<u>Cash flows from financing activities:</u>		
Purchase of treasury stock	(22,982)	(6,993)
Exercise of options by employees	6,892	4,508
Tax benefit related to exercise of stock options	125	718
	<u>(15,965)</u>	<u>(1,767)</u>
Net cash provided by financing activities		
Increase (decrease) in cash and cash equivalents	8,324	(13,048)
Cash and cash equivalents at beginning of period	<u>23,110</u>	<u>32,927</u>
Cash and cash equivalents at end of period	<u>\$ 31,434</u>	<u>\$ 19,879</u>
<u>Supplemental disclosure of non-cash flows from investing and financing activities:</u>		
Receivables on account of shares	<u>\$ 118</u>	<u>\$ -</u>