
4Q07 Financial Review





Tsipi Kagan
CFO

This presentation is designed to accompany the information given on the RADVISION Q4 2007 Earnings Conference Call on February 7, 2008.






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)

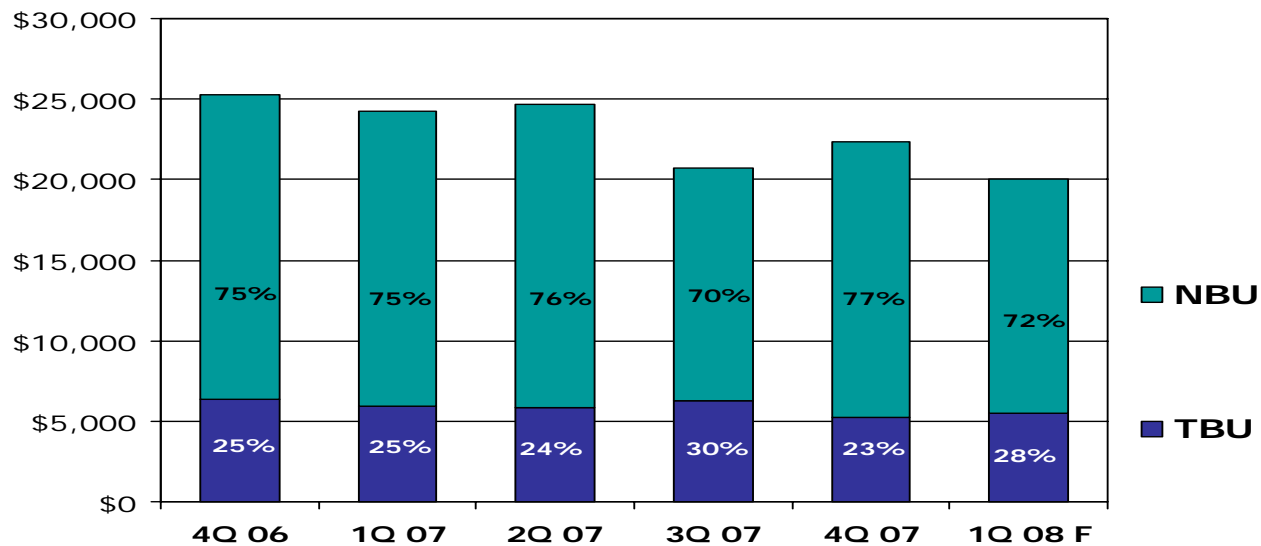
-  Leading provider of IP-centric and 3G **videoconferencing platforms** (gateways, gatekeepers, and enhanced services)
-  Powered by **RADVISION IP protocols** (see below)
-  Supports both legacy ISDN and IP protocols and all end points
-  Supports Voice, Video and Data conferencing

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 13 years
-  Large customer base of over 500 licensees

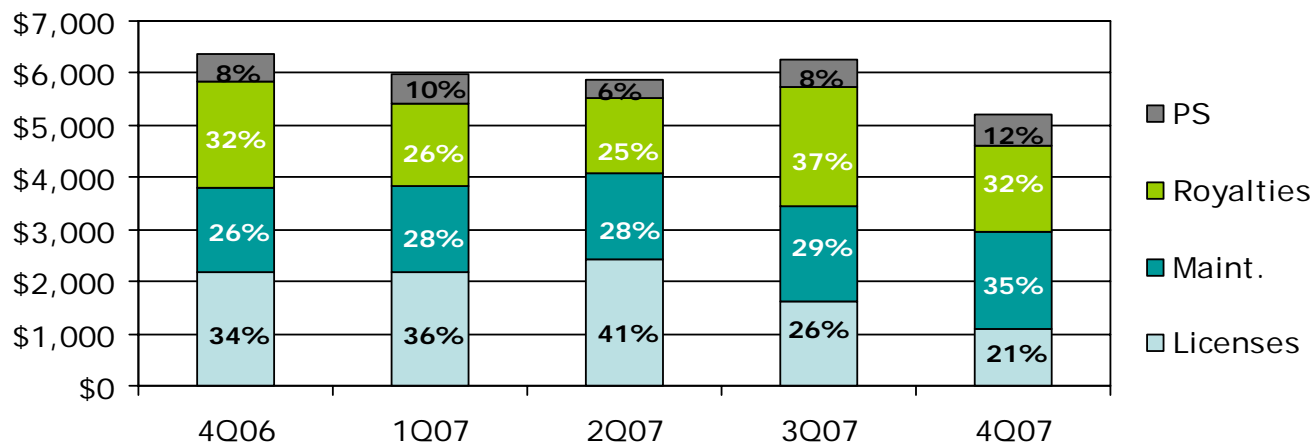
Revenues - General

	<u>Actual</u> 4Q 2006	<u>Actual</u> FY2006	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY2007	<u>Forecast</u> 1Q 2008
TBU	\$6,376	\$24,208	\$5,963	\$5,883	\$6,261	\$5,205	\$23,312	\$5,500
NBU	\$18,885	\$66,815	\$18,302	\$18,811	\$14,447	\$17,111	\$68,671	\$14,500
Total	\$25,261	\$91,023	\$24,265	\$24,694	\$20,708	\$22,316	\$91,983	\$20,000
Gross Margin	79.6%	80.5%	79.8%	80.8%	81.0%	80.1%	80.4%	79.0%



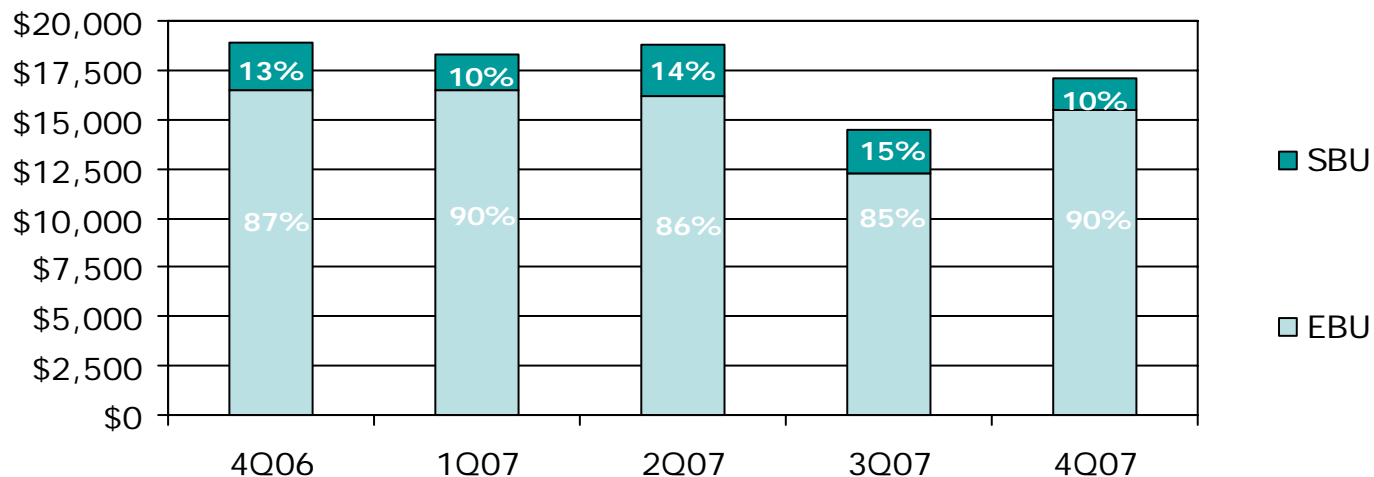
Revenues - TBU

	<u>Actual</u> 4Q 2006	<u>Actual</u> FY2006	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY2007
PS	\$535	\$1,585	\$537	\$358	\$529	\$604	\$2,028
Royalties	\$2,034	\$7,104	\$1,575	\$1,451	\$2,297	\$1,651	\$6,974
Maint.	\$1,634	\$6,998	\$1,675	\$1,661	\$1,805	\$1,842	\$6,983
Licenses	\$2,173	\$8,521	\$2,176	\$2,413	\$1,630	\$1,108	\$7,327
Total	\$6,376	\$24,208	\$5,963	\$5,883	\$6,261	\$5,205	\$23,312



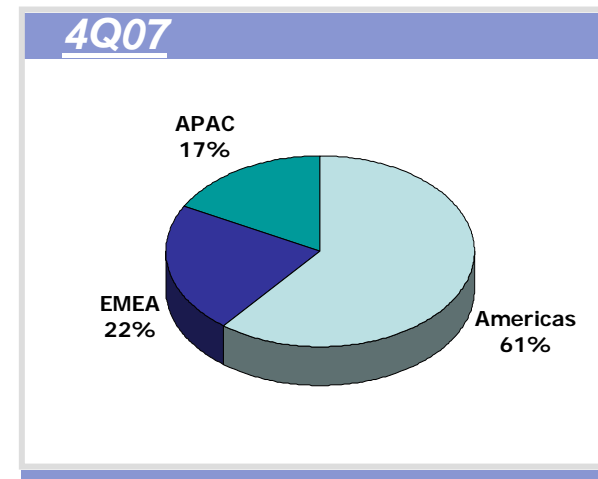
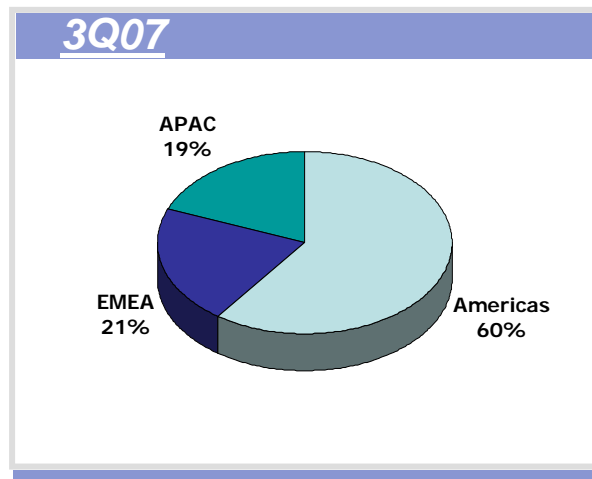
Revenues - NBU

	<u>Actual</u> 4Q 2006	<u>Actual</u> FY2006	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY2007
Enterprise Business Unit	\$16,446	\$57,031	\$16,499	\$16,205	\$12,270	\$15,476	\$60,450
Service Provider Business Unit	\$2,439	\$9,784	\$1,803	\$2,606	\$2,177	\$1,635	\$8,221
Total	\$18,885	\$66,815	\$18,302	\$18,811	\$14,447	\$17,111	\$68,671



Revenues – Geographic & Concentration

	<u>4Q06</u>	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>
Americas	59.2%	62.0%	56.1%	60.1%	60.8%
EMEA	24.3%	21.2%	22.3%	21.3%	21.9%
APAC	16.5%	16.8%	21.6%	18.6%	17.3%
Total	100%	100%	100%	100%	100%



	<u>4Q06</u>	<u>1Q07</u>	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>
Top 10 Customers	59%	67%	64%	56%	60%

Operating Expenses

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

	<u>Actual</u> 4Q 2006 ¹	<u>Actual</u> FY 2006 ^{1,2}	<u>Actual</u> 1Q 2007 ¹	<u>Actual</u> 2Q 2007 ¹	<u>Actual</u> 3Q 2007 ¹	<u>Actual</u> 4Q 2007 ¹	<u>Actual</u> FY 2007 ¹	<u>Forecast</u> 1Q 2008 ¹
R&D	\$6,470	\$23,878	\$7,239	\$7,233	\$7,089	\$7,076	\$28,637	\$7,900
S&M	\$7,387	\$28,742	\$7,500	\$7,707	\$7,473	\$7,933	\$30,613	\$9,100
G&A	\$1,522	\$5,447	\$1,443	\$1,943	\$2,189	\$1,727	\$7,302	\$1,800
Total	\$15,379	\$58,067	\$16,182	\$16,883	\$16,751	\$16,736	\$66,552	\$18,800

% of revenues

	<u>4Q 2006</u> ¹	<u>FY 2006</u> ^{1,2}	<u>1Q 2007</u> ¹	<u>2Q 2007</u> ¹	<u>3Q 2007</u> ¹	<u>4Q 2007</u> ¹	<u>FY 2007</u> ¹	<u>1Q 2008</u> ¹
R&D	25.6%	26.2%	29.8%	29.3%	34.2%	31.7%	31.1%	39.5%
S&M	29.2%	31.6%	30.9%	31.2%	36.1%	35.5%	33.3%	45.5%
G&A	6.0%	6.0%	5.9%	7.9%	10.6%	7.7%	7.9%	9.0%
Total	60.9%	63.8%	66.7%	68.4%	80.9%	75.0%	72.4%	94.0%

¹ Data excluding deferred stock compensation according to FAS-123R.

² Data excluding settlement reserve.

Cash Flow

(U.S. Dollars in thousands)

	<u>4Q 2006</u>	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>
Cash & cash equivalents*	\$145,571	\$155,815	\$131,904	\$135,213	\$130,742
as percent of total assets	80%	82%	74%	77%	75%
Cash flow from operations	\$8,272	\$7,316	(\$6,950)	\$9,293	(\$231)
Capital expenditures	(\$665)	(\$832)	(\$2,437)	(\$658)	(\$244)
Option Exercise	\$2,252	\$3,760	\$2,190	\$942	\$39
Share Buyback			(\$16,714)	(\$6,268)	(\$4,035)
Net Change in Cash	\$9,859	\$10,244	(\$23,911)	\$3,309	(\$4,471)
Cash per basic share	\$6.61	\$6.98	\$5.93	\$6.21	\$6.09
# of basic shares	22,013	22,310	22,255	21,761	21,477

*Including short term and long term investments

Balance Sheet

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

	<u>4Q 2006</u>	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>
Inventory Days	53	57	49	40	32
Inventory	\$2,979	\$3,136	\$2,534	\$1,706	\$1,560
DSOs (in days)	46	38	65	61	61
Target DSOs	55	55	55	55	55
Receivables	\$12,866	\$10,057	\$17,725	\$13,930	\$15,011

Actual Results and 1Q08 Guidelines

	4Q06a*	2006a*	1Q07a*	2Q07a*	3Q07a*	4Q07a*	2007a*	1Q08f*
Revenue	\$25,261	\$91,023	\$24,265	\$24,694	\$20,708	\$22,316	\$91,983	\$20,000
COG	(5,143)	(17,792)	(4,909)	(4,741)	(3,925)	(4,439)	(18,014)	(4,200)
Gross Profit	\$20,118	\$73,231	\$19,356	\$19,953	\$16,783	\$17,877	\$73,969	\$15,800
	80%	80%	80%	81%	81%	80%	80%	79%
R&D	(6,470)	(23,878)	(7,239)	(7,233)	(7,089)	(7,076)	(28,637)	(7,900)
S&M	(7,387)	(28,742)	(7,500)	(7,707)	(7,473)	(7,933)	(30,613)	(9,100)
G&A	(1,522)	(5,447)	(1,443)	(1,943)	(2,189)	(1,727)	(7,302)	(1,800)
Exp.	(\$15,379)	(\$58,067)	(\$16,182)	(\$16,883)	(\$16,751)	(\$16,736)	(\$66,552)	(\$18,800)
Op. Profit before reserve	\$4,739	\$15,164	\$3,174	\$3,070	\$32	\$1,141	\$7,417	(\$3,000)
Patent settlement reserve		(\$1,900)						
Op. Profit after reserve	\$4,739	\$13,264	\$3,174	\$3,070	\$32	\$1,141	\$7,417	(\$3,000)
Financial income	\$1,621	\$5,825	\$1,721	\$1,806	\$1,483	\$1,082	\$6,095	\$1,100
Tax benefit (expense)	\$2,114	\$936	(\$26)	\$84	\$123	\$1,610	\$1,790	(\$200)
Net Income	\$8,474	\$20,025	\$4,869	\$4,960	\$1,638	\$3,833	\$15,302	(\$2,100)
FAS-123R Option expenses	\$1,319	\$4,777	\$1,330	\$1,334	\$1,404	\$1,380	\$5,448	\$1,400
Net Income after FAS123-R	\$7,155	\$15,248	\$3,539	\$3,626	\$234	\$2,453	\$9,854	(\$3,500)
No. of diluted shares	22,829	22,747	23,136	22,946	22,231	21,615	22,482	20,000
Diluted EPS(excluding FAS-123R and reserve)	\$0.37	\$0.96	\$0.21	\$0.22	\$0.07	\$0.18	\$0.68	(\$0.11)
Diluted EPS	\$0.31	\$0.67	\$0.15	\$0.16	\$0.01	\$0.11	\$0.44	(\$0.18)

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

Thank You

Tsipi Kagan

cfo@radvision.com

www.radvision.com