
2Q08 Financial Review

Tsipi Kagan
CFO

This presentation is designed to accompany the information given on the RADVISION Q2 2008 Earnings Conference Call on July 31, 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)

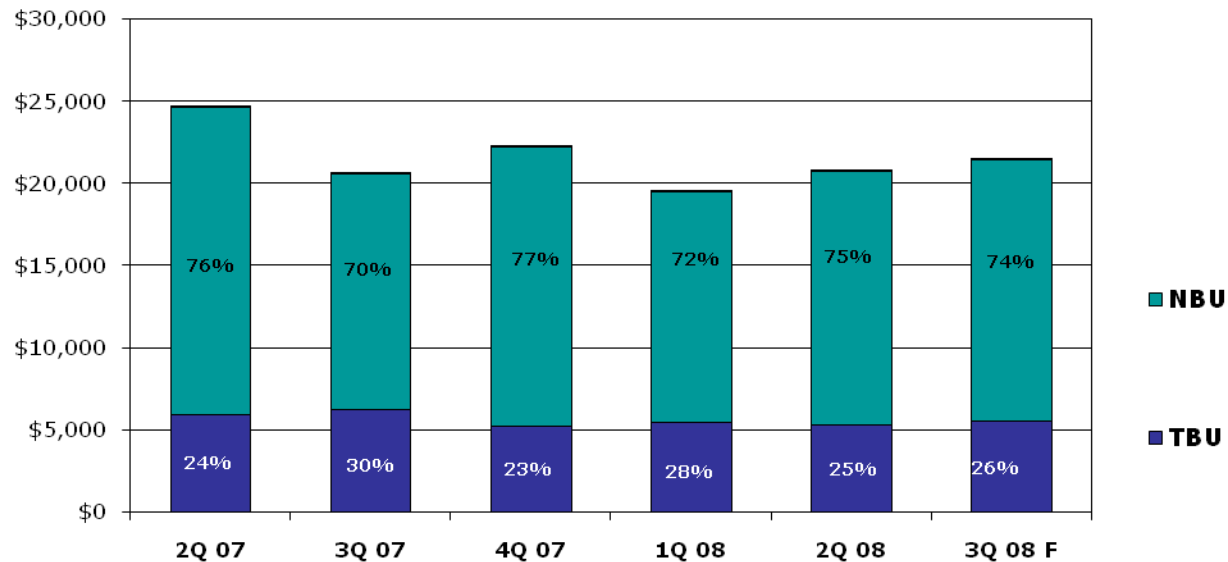
- Leading provider of IP-centric and 3G **videoconferencing platforms** (gateways, gatekeepers, and enhanced services)
- Powered by **RADVISION IP protocols** (see below)
- Supports both legacy ISDN and IP protocols and all end points
- Supports Voice, Video and Data conferencing

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

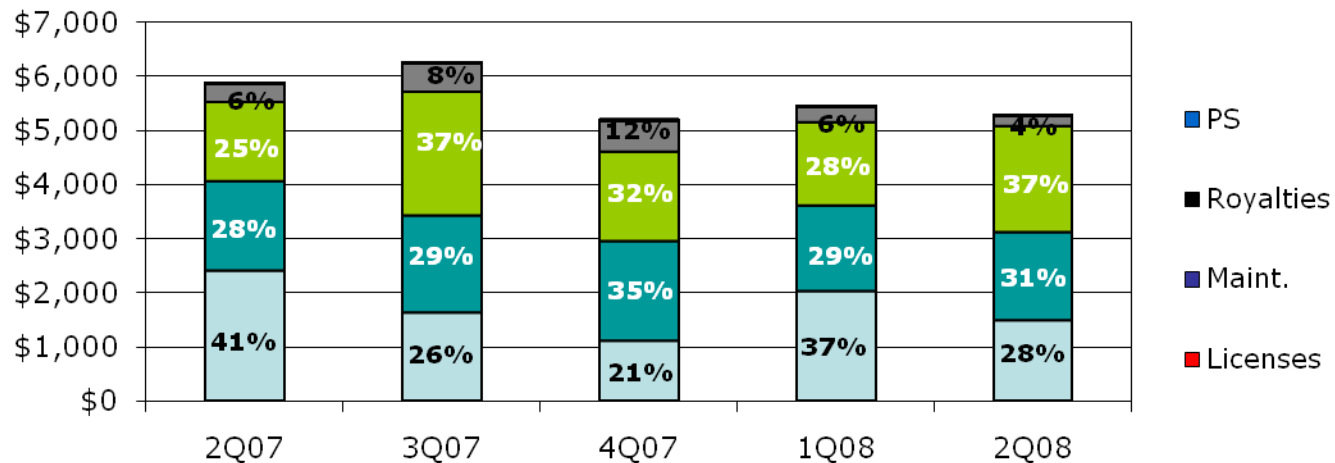
Revenues - General

	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY2007	<u>Actual</u> 1Q 2008	<u>Actual</u> 2Q 2008	<u>Forecast</u> 3Q 2008
TBU	\$5,963	\$5,883	\$6,261	\$5,205	\$23,312	\$5,456	\$5,291	\$5,500
NBU	\$17,902	\$18,811	\$14,447	\$17,111	\$68,271	\$14,151	\$15,554	\$16,000
Total	\$23,865	\$24,694	\$20,708	\$22,316	\$91,583	\$19,607	\$20,845	\$21,500
Gross Margin	79.8%	80.8%	81.0%	80.1%	80.4%	79.1%	78.3%	78.6%



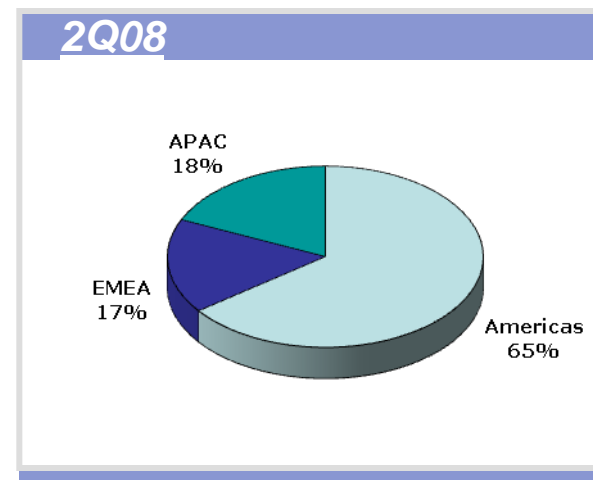
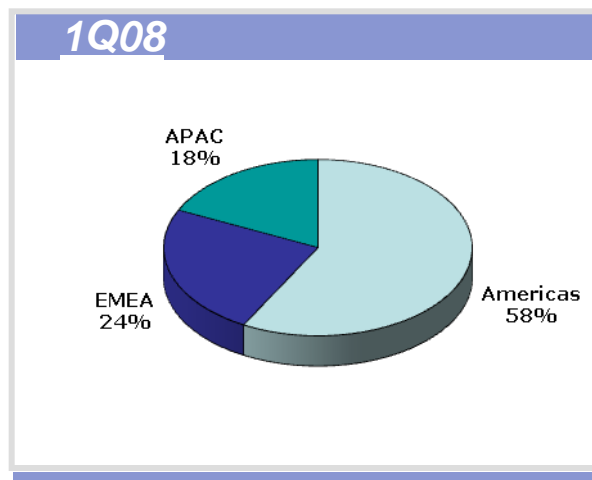
Revenues - TBU

	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> <u>FY2007</u>	<u>Actual</u> 1Q 2008	<u>Actual</u> 2Q 2008
PS	\$537	\$358	\$529	\$604	\$2,028	\$303	\$202
Royalties	\$1,575	\$1,451	\$2,297	\$1,651	\$6,974	\$1,534	\$1,974
Maint.	\$1,675	\$1,661	\$1,805	\$1,842	\$6,983	\$1,593	\$1,638
Licenses	\$2,176	\$2,413	\$1,630	\$1,108	\$7,327	\$2,026	\$1,477
Total	\$5,963	\$5,883	\$6,261	\$5,205	\$23,312	\$5,456	\$5,291



Revenues – Geographic & Concentration

	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>	<u>2Q08</u>
Americas	56.1%	60.1%	60.8%	57.6%	64.8%
EMEA	22.3%	21.3%	21.9%	24.3%	16.9%
APAC	21.6%	18.6%	17.3%	18.1%	18.3%
Total	100%	100%	100%	100%	100%



	<u>2Q07</u>	<u>3Q07</u>	<u>4Q07</u>	<u>1Q08</u>	<u>2Q08</u>
Top 10 Customers	64%	56%	60%	57%	64%

Operating Expenses

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

	<u>Actual</u> 1Q 2007	<u>Actual</u> 2Q 2007	<u>Actual</u> 3Q 2007	<u>Actual</u> 4Q 2007	<u>Actual</u> FY 2007	<u>Actual</u> 1Q 2008	<u>Actual</u> 2Q 2008	<u>Forecast</u> 3Q 2008
R&D	\$7,239	\$7,233	\$7,089	\$7,076	\$28,637	\$7,751	\$8,850	\$9,500
S&M	\$7,500	\$7,707	\$7,473	\$7,933	\$30,613	\$8,910	\$8,573	\$8,500
G&A	\$1,443	\$1,943	\$2,189	\$1,727	\$7,302	\$1,658	\$1,920	\$1,900
Total	\$16,182	\$16,883	\$16,751	\$16,736	\$66,552	\$18,319	\$19,343	\$19,900

% of revenues

	<u>1Q 2007</u>	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>FY 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>	<u>3Q 2008</u>
R&D	29.8%	29.3%	34.2%	31.7%	31.1%	39.5%	42.5%	44.2%
S&M	30.9%	31.2%	36.1%	35.5%	33.3%	45.4%	41.1%	39.5%
G&A	5.9%	7.9%	10.6%	7.7%	7.9%	8.5%	9.2%	8.8%
Total	66.7%	68.4%	80.9%	75.0%	72.4%	93.4%	92.8%	92.6%

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

Cash Flow

(U.S. Dollars in thousands)

	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>
Cash & cash equivalents*	\$131,904	\$135,213	\$130,742	\$127,581	\$123,464
as percent of total assets	74%	77%	75%	75%	74%
Cash flow from operations	(\$6,950)	\$9,293	(\$231)	\$1,334	(\$354)
Capital expenditures	(\$2,437)	(\$658)	(\$244)	(\$948)	(\$917)
Option Exercise	\$2,190	\$942	\$39	\$18	\$6
Share Buyback	(\$16,714)	(\$6,268)	(\$4,035)	(\$3,565)	(\$2,852)
Net Change in Cash	(\$23,911)	\$3,309	(\$4,471)	(\$3,161)	(\$4,117)
Cash per basic share	\$5.93	\$6.21	\$6.09	\$6.04	\$5.98
# of basic shares	22,255	21,761	21,477	21,123	20,637

*Including short term and long term investments

Balance Sheet

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

	<u>2Q 2007</u>	<u>3Q 2007</u>	<u>4Q 2007</u>	<u>1Q 2008</u>	<u>2Q 2008</u>
Inventory Days	50	44	35	26	22
Inventory	\$2,665	\$1,837	\$1,691	\$1,154	\$1,088
DSOs (in days)	65	61	61	66	68
Target DSOs	55	55	55	55	55
Receivables	\$17,725	\$13,930	\$15,011	\$14,141	\$15,627

Actual Results and 3Q08 Guidelines

	1Q07a*	2Q07a*	3Q07a*	4Q07a*	2007a*	1Q08a*	2Q08a*	3Q08f*
Revenue	\$23,865	\$24,694	\$20,708	\$22,316	\$91,583	\$19,607	\$20,845	\$21,500
COG	(4,778)	(4,741)	(3,925)	(4,439)	(17,883)	(4,096)	(4,534)	(4,600)
Gross Profit	\$19,087	\$19,953	\$16,783	\$17,877	\$73,700	\$15,511	\$16,311	\$16,900
	80%	81%	81%	80%	80%	79%	78%	79%
R&D	(7,239)	(7,233)	(7,089)	(7,076)	(28,637)	(7,751)	(8,850)	(9,500)
S&M	(7,500)	(7,707)	(7,473)	(7,933)	(30,613)	(8,910)	(8,573)	(8,500)
G&A	(1,443)	(1,943)	(2,189)	(1,727)	(7,302)	(1,658)	(1,920)	(1,900)
Exp.	(\$16,182)	(\$16,883)	(\$16,751)	(\$16,736)	(\$66,552)	(\$18,319)	(\$19,343)	(\$19,900)
Op. Profit (loss) before reserve	\$2,905	\$3,070	\$32	\$1,141	\$7,148	(\$2,808)	(\$3,032)	(\$3,000)
Financial income	\$1,721	\$1,806	\$1,486	\$1,461	\$6,474	\$1,044	\$858	\$800
Tax benefit (expense)	(\$26)	\$84	\$122	\$1,610	\$1,790	(\$3)	\$12	(\$100)
Net Income (loss) before ARS & FAS123-R	\$4,600	\$4,960	\$1,640	\$4,212	\$15,412	(\$1,767)	(\$2,162)	(\$2,300)
ARS Amortization	\$0	\$0	\$0	\$379	\$379	\$0	\$446	\$0
FAS-123R Option expenses	\$1,330	\$1,334	\$1,404	\$1,380	\$5,448	\$1,304	\$1,267	\$1,300
Net Income (loss) after ARS & FAS123-R	\$3,270	\$3,626	\$236	\$2,453	\$9,585	(\$3,071)	(\$3,875)	(\$3,600)
No. of diluted shares	23,136	22,946	22,231	21,615	22,482	21,123	20,637	20,200
Diluted EPS(excluding FAS-123R and ARS)	\$0.20	\$0.22	\$0.07	\$0.19	\$0.69	(\$0.08)	(\$0.10)	(\$0.11)
Diluted EPS	\$0.14	\$0.16	\$0.01	\$0.11	\$0.43	(\$0.15)	(\$0.19)	(\$0.18)

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

Thank You

Tsipi Kagan

cfo@radvision.com

www.radvision.com