

Edgar Filing: RADVISION LTD - Form 6-K

RADVISION LTD  
Form 6-K  
July 27, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

-----  
F O R M 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2006

RADVISION LTD.  
(Name of Registrant)

24 Raoul Wallenberg Street, Tel Aviv 69719, Israel  
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will  
file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the  
Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the  
Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information  
contained in this Form, the registrant is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under the Securities  
Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to  
the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

This Form 6-K is being incorporated by reference into the Registrant's Form S-8  
Registration Statements File Nos. 333-45422, 333-53814, 333-55130, 333-66250,  
333-82488, 333-104377, 333-116964 and 333-127013.

RADVision Ltd.

6-K Items

1. Press release re RADVISION Reports Strong Second Quarter 2006 Results

## Edgar Filing: RADVISION LTD - Form 6-K

dated July 27, 2006.

ITEM 1

Press Release

Source: RADVISION

RADVISION Reports Strong Second Quarter 2006 Results

Thursday July 27, 8:00 am ET

Revenues Reach \$22.0 Million

Diluted EPS is \$0.14

FAIR LAWN, N.J.--(BUSINESS WIRE)--July 27, 2006--RADVISION(R) (NASDAQ: RVSN - News) today announced that revenues for the second quarter of 2006 reached a record \$22.0 million, representing a 26% increase from \$17.5 million reported in the second quarter of 2005.

Operating income for the second quarter of 2006 was \$2.1 million. Excluding the effect of stock-based compensation expense related to the adoption of FAS123R, the Company achieved operating income of \$3.3 million. This compares with operating income of \$2.2 million in the second quarter of 2005.

Net income for the 2006 second quarter was \$3.2 million, or \$0.14 per diluted share. Excluding the effect of stock-based compensation expense, net income was \$4.4 million or \$0.20 per diluted share. This compares with \$2.9 million or \$0.13 per diluted share reported in the 2005 second quarter.

The Company had forecast that 2006 second quarter revenues would approximate \$21.5 million and that net income would approximate \$3.1 million or \$0.14 per diluted share including stock-based compensation expense related to the adoption of FAS123R. Excluding this item, the Company expected second quarter 2006 net income to be \$4.3 million or \$0.19 per diluted share.

Business unit revenues for the second quarter of 2006 consisted of \$16.0 million in Networking Business Unit (NBU) sales and \$6.0 million in Technology Business Unit (TBU) sales, representing increases of 35% and 7%, respectively, over the second quarter of 2005. NBU revenues exceeded the Company's forecast and TBU revenues were in line with it.

For the first six months of 2006, revenues were \$42.1 million, operating income was \$4.0 million and net income was \$6.1 million or \$0.27 per diluted share. Excluding the effect of stock-based compensation expense, operating income for the first six months of 2006 was \$6.3 million and net income was \$8.4 million or \$0.37 per diluted share. For the first half of 2005, revenues were \$33.8 million, operating income was \$4.1 million and net income was \$5.4 million or \$0.24 per diluted share.

## Edgar Filing: RADVISION LTD - Form 6-K

The Company ended the second quarter of 2006 with approximately \$138.5 million in cash and liquid investments, an increase of \$2.8 million from March 31, 2006, and equivalent to \$6.23 per basic share. The increase reflects cash flow from operations of \$2.7 million and income of \$541,000 from the exercise of options, offset by \$461,000 in capital expenditures.

Boaz Raviv, Chief Executive Officer, commented: "Our main growth driver in the second quarter was the successful worldwide launch of our new SCOPIA(TM) v.5 platform and iView management application, which contributed to a 33% increase in our room conferencing revenues over the second quarter of 2005 and a 60% increase sequentially. We shipped SCOPIA v.5 for the largest phase of the Defense Information Systems Agency (DISA) DVS-II project that we won with Cisco and Northrop Grumman late last year. Our second quarter DISA sales were made through Cisco, our largest channel partner. Total Cisco revenues rose 70% year-over-year. Our non-Cisco channel sales in the Americas also were strong in the quarter.

"Revenues from our Click to Meet (R) desktop solution were double those of the 2005 second quarter but were lower than the first quarter mainly because certain budgets for new Federal projects were held back. However, our second quarter included another sale for BVTC, or Battlefield Video Conferencing, which is deployed by the U.S. Army for real-time war applications. Click to Meet is an essential part of our broad strategy for unified communications. We recently announced that Click to Meet supports Microsoft's RTVideo advanced video codec as well as demonstrated its High Definition capabilities, as we continue to develop first-to-market advances. We expect Click to Meet sales to resume sequential growth in the third quarter.

"3G revenues rose 11% from the second quarter of 2005 reflecting sales to mobile operators and applications service providers both in EMEA and Asia Pacific but were below the record level achieved in the first quarter. Our 3G revenues continue to fluctuate because 3G video is mainly in the trial and pilot phase.

"Our TBU revenues grew 7% from the second quarter of 2005. That growth included strong sales of licenses for our SIP and SIP Server toolkits. We recently announced the availability of an IMS-compliant SIP Toolkit, the first in what will become a comprehensive portfolio of IMS development products. They also included license sales of our 3G-324 toolkits along with related sales in professional services and of our 324M ProLab(TM) testing tool. Earlier this week we reported that Quanta Computer, one of China's leading developers of computers, storage devices and displays, will use our 3G-324 Toolkit and testing tool to develop a video-enabled 3G mobile handset based on Windows Mobile 5.0 operating system and running on an Intel application chip and Qualcomm baseband chip."

Mr. Raviv concluded: "Our growth in the second quarter reflected our focus on execution and the advancement of our technology leadership. We will continue to pursue our strategy of enabling and advancing unified communications."

### Guidance

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

The Company expects revenues for the third quarter of 2006 to be approximately

## Edgar Filing: RADVISION LTD - Form 6-K

\$23.2 million and net income to approximate \$3.4 million or \$0.15 per diluted share. This includes stock-based compensation expense related to the adoption of FAS123R of \$1.3 million or \$0.06 per diluted share. Excluding this item, third quarter 2006 net income is expected to be \$4.7 million or \$0.21 per diluted share. That compares to third quarter 2005 revenues of \$19.1 million and net income of \$4.0 million or \$0.18 per diluted share. (Full details are available on the Company's web site at [www.radvision.com](http://www.radvision.com).)

### Second Quarter 2006 Earnings Conference Call/Webcast

RADVISION will hold a conference call to discuss its second quarter 2006 results and third quarter outlook, today, Thursday, July 27, 2006 at 9:00 a.m.

(Eastern). To access the conference call, please dial 1-888-323-2711 (International dialers may call +1-212-547-0460) by 8:45 a.m. (Eastern) on July 27th. 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: [http://www.radvision.com/Corporate/Investors/IR\\_2Q06\\_webcast.htm](http://www.radvision.com/Corporate/Investors/IR_2Q06_webcast.htm). A replay of the call will be available beginning approximately one hour after the conclusion of the call through 11:59 p.m. (Eastern) on August 3rd. To access the replay, please dial 1-888-566-0573 (International dialers may call +1-203-369-3068).

The PowerPoint presentation highlighting key financial metrics as well as the third quarter 2006 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 July 27th and will be archived on the website until the end of the third quarter.

### About RADVISION

RADVISION (NASDAQ: RVSN - News) 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](http://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.

Edgar Filing: RADVISION LTD - Form 6-K

RADVISION LTD.  
 Consolidated Statements of Income  
 (U.S. Dollars in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
	(Unaudited)		(Unaudited)	
Revenues	\$ 22,004	\$ 17,473	\$ 42,140	\$ 33,753
Cost of revenues	4,429	3,103	8,080	5,879
Gross profit	17,575	14,370	34,060	27,874
Operating costs and expenses:				
Research and development	6,160	5,054	11,905	9,709
Marketing and selling	7,767	6,006	15,166	11,763
General and administrative	1,515	1,152	2,976	2,311
Total operating costs and expenses	15,442	12,212	30,047	23,783
Operating income	2,133	2,158	4,013	4,091
Financial income, net	1,433	768	2,704	1,329
Income before taxes	3,566	2,926	6,717	5,420
Taxes on income, net	355	30	609	30
Net income	\$ 3,211	\$ 2,896	\$ 6,108	\$ 5,390
Basic net earnings per Ordinary share	\$ 0.14	\$ 0.14	\$ 0.28	\$ 0.26
Weighted Average Number of Shares Outstanding During the Period - Basic	22,216,021	20,994,973	22,105,694	20,854,595
Diluted net earnings per Ordinary share	\$ 0.14	\$ 0.13	\$ 0.27	\$ 0.24
Weighted Average Number of Shares Outstanding During				

Edgar Filing: RADVISION LTD - Form 6-K

the Period - Diluted    22,604,467    22,020,946    22,532,464    22,027,068  
 =====

RADVISION LTD.  
 Consolidated Statements of Income  
 Reconciliation of GAAP to NON-GAAP Operating Results(1)  
 (U.S. Dollars in thousands, except per share data)

Three months ended  
 June 30,

	2006		2005	
	(Unaudited)			
	GAAP results (as reported)	Non GAAP adjustment share-based compensation (1)	Non GAAP results Pro Forma	GAAP results (as reported)
Revenues	\$ 22,004	\$ -	\$ 22,004	\$ 17,473
Cost of revenues	4,429	96	4,333	3,103
Gross profit	17,575	96	17,671	14,370
Operating costs and expenses:				
Research and development	6,160	382	5,778	5,054
Marketing and selling	7,767	500	7,267	6,006
General and administrative	1,515	237	1,278	1,152
Total operating costs and expenses	15,442	1,119	14,323	12,212
Operating income	2,133	1,215	3,348	2,158
Financial income, net	1,433	-	1,433	768
Income before taxes	3,566	1,215	4,781	2,926
Taxes on income, net	355	-	355	30
Net income	\$ 3,211	\$1,215	\$ 4,426	\$ 2,896

Basic net earnings

Edgar Filing: RADVISION LTD - Form 6-K

per Ordinary share	\$	0.14	\$	0.06	\$	0.20	\$	0.14
		=====		=====		=====		=====
Weighted Average								
Number of Shares								
Outstanding During								
the Period - Basic								
		22,216,021		22,216,021		20,994,973		
		=====		=====		=====		
Diluted net earnings								
per Ordinary share								
	\$	0.14	\$	0.06	\$	0.20	\$	0.13
		=====		=====		=====		=====
Weighted Average								
Number of Shares								
Outstanding During								
the Period - Diluted								
		22,604,647		22,604,647		22,020,946		
		=====		=====		=====		

(1) To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), we use non GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude the expenses we recorded for stock compensation in accordance with SFAS 123R. These non GAAP financial measures are provided to enhance overall understanding of our current financial performance and our prospects for the future. Specifically, we believe the non GAAP results provide useful information to both management, and investors as these non GAAP results exclude the expenses we recorded for stock compensation in accordance with SFAS 123R that we believe are not indicative of our core operating results. Further, these non GAAP results are one of the primary indicators management uses for assessing our 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.

RADVISION LTD.  
Consolidated Statements of Income  
Reconciliation of GAAP to NON-GAAP Operating Results(1)  
(U.S. Dollars in thousands, except per share data)

Six months ended	
June 30,	
-----	-----
2006	2005
-----	-----
(Unaudited)	
-----	
Non GAAP	
adjustment	
share-based Non GAAP	

Edgar Filing: RADVISION LTD - Form 6-K

	GAAP results (as reported)	compensation (1)	results Pro Forma	GAAP results (as reported)
Revenues	\$ 42,140	\$ -	\$ 42,140	\$ 33,753
Cost of revenues	8,080	165	7,915	5,879
Gross profit	34,060	165	34,225	27,874
Operating costs and expenses:				
Research and development	11,905	681	11,224	9,709
Marketing and selling	15,166	939	14,227	11,763
General and administrative	2,976	458	2,518	2,311
Total operating costs and expenses	30,047	2,078	27,969	23,783
Operating income	4,013	2,243	6,256	4,091
Financial income, net	2,704	-	2,704	1,329
Income before taxes	6,717	2,243	8,960	5,420
Taxes on income, net	609	-	609	30
Net income	\$ 6,108	\$2,243	\$ 8,351	\$ 5,390
Basic net earnings per Ordinary share	\$ 0.28	\$ 0.10	\$ 0.38	\$ 0.26
Weighted Average Number of Shares Outstanding During the Period - Basic	22,105,694		22,105,694	20,854,595
Diluted net earnings per Ordinary share	\$ 0.27	\$ 0.10	\$ 0.37	\$ 0.24
Weighted Average Number of Shares Outstanding During the Period - Diluted	22,532,464		22,532,464	22,027,068

(1) To supplement our consolidated financial statements presented in accordance



## Edgar Filing: RADVISION LTD - Form 6-K

with generally accepted accounting principles (GAAP), we use non GAAP measures of operating results, net income and earnings per share, which are adjusted from results based on GAAP to exclude the expenses we recorded for stock compensation in accordance with SFAS 123R. These non GAAP financial measures are provided to enhance overall understanding of our current financial performance and our prospects for the future. Specifically, we believe the non GAAP results provide useful information to both management, and investors as these non GAAP results exclude the expenses we recorded for stock compensation in accordance with SFAS 123R that we believe are not indicative of our core operating results. Further, these non GAAP results are one of the primary indicators management uses for assessing our 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.

RADVISION LTD.  
Consolidated Balance Sheet  
(U.S. Dollars in thousands)

	June 30, 2006	December 31, 2005
	-----	-----
ASSETS	Unaudited	Audited
	-----	-----
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents *)	\$ 12,308	\$ 32,927
Short-term bank deposits *)	32,040	17,503
Short-term marketable securities *)	43,756	46,015
Trade receivables, net	13,145	12,257
Other accounts receivable and prepaid expenses	3,635	4,318
Inventories	4,744	2,593
	-----	-----
Total current assets	109,628	115,613
	-----	-----
<b>LONG-TERM INVESTMENTS AND RECEIVABLES:</b>		
Long-term bank deposits *)	17,367	11,395
Long-term marketable securities *)	32,984	17,111
Severance pay fund	3,247	2,931
	-----	-----
Total long-term investments and receivables	53,598	31,437
	-----	-----
Property and equipment, net	3,584	3,190
	-----	-----
Goodwill	2,966	2,966
	-----	-----
Intangible assets, net	2,996	3,542
	-----	-----
Total assets	\$172,772	\$156,748
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Edgar Filing: RADVISION LTD - Form 6-K

CURRENT LIABILITIES:		
Trade payables	\$ 3,917	\$ 1,783
Deferred revenues	8,996	8,533
Accrued expenses and other accounts payable	12,717	12,122
	-----	-----
Total current liabilities	25,630	22,438
	-----	-----
Accrued severance pay	4,098	3,643
	-----	-----
Total liabilities	29,728	26,081
	-----	-----
SHAREHOLDERS' EQUITY:		
Share capital	227	218
Additional paid-in capital	120,463	116,446
Deferred stock compensation	2,243	-
Retained earnings (accumulated deficit)	20,111	14,003
	-----	-----
Total shareholders' equity	143,044	130,667
	-----	-----
Total liabilities and shareholders' equity	\$172,772	\$156,748
	=====	=====
* ) Total cash and liquid investments	\$138,455	\$124,951
	=====	=====

Contact:  
 RADVISION  
 Tsipi Kagan, 201-689-6340  
 cfo@radvision.com  
 or  
 Comm-Partners LLC  
 Investor Relations:  
 June Filingeri, 203-972-0186  
 junefil@optonline.net

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RADVISION LTD.  
 (Registrant)

By /s/Arnold Taragin

Edgar Filing: RADVISION LTD - Form 6-K

-----  
Arnold Taragin  
Corporate Vice President and General Counsel

Date: July 27, 2006