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RADVISION LTD  
Form 10-Q  
May 09, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2002
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_to \_\_\_\_

Commission file number: 000-29871

RADVISION LTD.

-----  
(Exact Name of Registrant as Specified in Its Charter)

|  |   |
|--|---|
| Israel<br>-----<br>(State or Other Jurisdiction of<br>Incorporation or Organization) | N/A<br>---<br>(I.R.S. Employer<br>Identification No.) |
|--|---|

24 Raoul Wallenberg Street, Tel Aviv 69719, Israel  
-----

(Address of Principal Executive Offices)

972-3-645-5220  
-----

(Registrant's Telephone Number, Including Area Code)

N/A  
-----

(Former Name, Former Address and Former Fiscal Year,  
if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

As of May 6, 2002 the Registrant had 19,936,030 Ordinary Shares, par value NIS 0.1 per share, outstanding.

Preliminary Notes: RADVision Ltd. is incorporated in Israel and is a "foreign private issuer" as defined in Rule 3b-4 under the Securities Exchange

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Act of 1934 (the "1934 Act") and in Rule 405 under the Securities Act of 1933. As a result, it is eligible to file this quarterly report on Form 6-K (in lieu of Form 10-Q) and to file its annual reports on Form 20-F (in lieu of Form 10-K). However, RADvision Ltd. elects to file its interim reports on Forms 10-Q and 8-K and to file its annual reports on Form 10-K.

Pursuant to Rule 3a12-3 regarding foreign private issuers, the proxy solicitations of RADvision Ltd. are not subject to the disclosure and procedural requirements of Regulation 14A under the 1934 Act, and transactions in its equity securities by its officers and directors are exempt from Section 16 of the 1934 Act.

### RADVISION LTD.

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RADVISION LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands of U.S. Dollars except share data)

PART I - FINANCIAL INFORMATION

|  | March 31,<br>2002<br>(Unaudited) | December 31,<br>2001<br>(Audited) |
|--|----------------------------------|-----------------------------------|
|  | -----                            | -----                             |
| Current assets   |                                  |                                   |
| Cash and cash equivalents  | \$ 6,305                         | \$ 6,717                          |
| Short-term investments   | 35,043                           | 52,785                            |
| Trade receivables, net of allowance for<br>doubtful accounts of \$1,015 (2001 - \$1,126)                     | 5,133                            | 5,078                             |
| Other receivables and prepaid expenses   | 1,872                            | 1,259                             |
| Inventories  | 1,168                            | 1,884                             |
|  | -----                            | -----                             |
| Total current assets   | 49,521                           | 67,723                            |
|  | -----                            | -----                             |
| Long-term investments  | 43,485                           | 26,326                            |
|  | -----                            | -----                             |
| Property and equipment, net  | 4,130                            | 4,518                             |
|  | -----                            | -----                             |
| Deposits with insurance companies  | 1,265                            | 1,200                             |
|  | -----                            | -----                             |
| Total assets   | \$ 98,401                        | \$ 99,767                         |
|  | =====                            | =====                             |
| Current liabilities  |                                  |                                   |
| Current maturities of long-term loans  | \$ 12                            | \$ 19                             |
| Trade payables   | 78                               | 765                               |
| Other payables and accrued expenses  | 14,461                           | 13,562                            |
|  | -----                            | -----                             |
| Total current liabilities  | 14,551                           | 14,346                            |
|  | -----                            | -----                             |
| Long-term liabilities  |                                  |                                   |
| Accrued severance pay  | 1,833                            | 1,872                             |
|  | -----                            | -----                             |
| Total liabilities  | 16,384                           | 16,218                            |
|  | -----                            | -----                             |
| Shareholders' equity   |                                  |                                   |
| Ordinary shares of NIS 0.1 par value:  |                                  |                                   |
| Authorized - 24,984,470 shares;  |                                  |                                   |
| Issued and outstanding - 19,899,105 shares as<br>of March 31, 2002 (2001 - 19,889,690 shares)                | 182                              | 182                               |
| Additional paid-in capital   | 104,214                          | 104,209                           |
| Deferred compensation  | (254)                            | (299)                             |
| Accumulated deficit  | (10,368)                         | (10,640)                          |
|  | -----                            | -----                             |
|  | 93,774                           | 93,452                            |
| Less cost of treasury stock - 1,866,115<br>ordinary shares as of March 31, 2002<br>(2001 - 1,585,446 shares) | 11,757                           | 9,903                             |
|  | -----                            | -----                             |

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|  |           |           |
|--|-----------|-----------|
| Total shareholders' equity                 | 82,017    | 83,549    |
|  | -----     | -----     |
| Total liabilities and shareholders' equity | \$ 98,401 | \$ 99,767 |
|  | =====     | =====     |

The accompanying notes form an integral part of these consolidated financial statements.

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RADVISION LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

(In thousands of U.S. Dollars except per share and share data)

|   | Three months ended<br>March 31, |            |
|---|---------------------------------|------------|
|   | 2002                            | 2001       |
|   | (Unaudited)                     |            |
| Revenues  | \$ 11,558                       | \$ 14,895  |
| Cost of revenues  | 2,559                           | 3,725      |
|   | -----                           | -----      |
| Gross profit  | 8,999                           | 11,170     |
|   | -----                           | -----      |
| Operating expenses  |                                 |            |
| Research and development expenses                                 | 4,041                           | 4,757      |
| Marketing and selling expenses                                    | 4,469                           | 4,840      |
| General and administrative expenses                               | 969                             | 1,169      |
|   | -----                           | -----      |
| Total operating expenses  | 9,479                           | 10,766     |
|   | -----                           | -----      |
| Operating income (loss)   | (480)                           | 404        |
| Financial income, net   | 752                             | 1,404      |
| Net income  | \$ 272                          | \$ 1,808   |
|   | =====                           | =====      |
| Basic earnings per ordinary share                                 | \$ 0.01                         | \$ 0.09    |
|   | =====                           | =====      |
| Weighted average number of ordinary shares<br>used in calculation | 18,168,617                      | 19,196,316 |
|   | =====                           | =====      |
| Diluted earnings per ordinary share                               | \$ 0.01                         | \$ 0.09    |
|   | =====                           | =====      |
| Weighted average number of ordinary shares<br>used in calculation | 19,400,949                      | 20,750,146 |
|   | =====                           | =====      |

The accompanying notes form an integral part of these consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

(In thousands of U.S. Dollars except per share and share data)

|   | For the three months<br>ended March 31, |          |
|---|---|----------|
|   | 2002                                    | 2001     |
|   | (Unaudited)                             |          |
| CASH FLOWS FROM OPERATING ACTIVITIES  |   |          |
| Net income  | \$ 272                                  | \$ 1,808 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |   |          |
| Income and expenses not affecting operating cash flows:                                     |   |          |
| Depreciation  | 685                                     | 346      |
| Severance pay, net  | (104)                                   | 174      |
| Amortization of deferred compensation   | 45                                      | 87       |
| Changes in operating assets and liabilities:  |   |          |
| Increase in trade receivables, net  | (55)                                    | (269)    |
| Increase in other receivables and prepaid expenses  | (613)                                   | (77)     |
| Decrease in inventories   | 716                                     | 1,604    |
| Decrease in trade payables  | (687)                                   | (1,705)  |
| Increase (decrease) in other payables and accrued expenses                                  | 899                                     | (4,433)  |
| Net cash provided by (used in) operating activities   | 1,158                                   | (2,465)  |
| CASH FLOWS FROM INVESTING ACTIVITIES  |   |          |
| Decrease in investments, net  | 583                                     | 1,005    |
| Purchase of property and equipment  | (297)                                   | (430)    |
| Net cash provided by investing activities   | 286                                     | 575      |
| CASH FLOWS FROM FINANCING ACTIVITIES  |   |          |
| Issuance of share capital   | 5                                       | 106      |
| Purchase of treasury stock  | (1,854)                                 | -        |
| Payment of issuance expenses  | -                                       | (550)    |
| Repayment of long-term loans  | (7)                                     | (14)     |
| Net cash used in financing activities   | (1,856)                                 | (458)    |
| DECREASE IN CASH AND CASH EQUIVALENTS   | (412)                                   | (2,348)  |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD  | 6,717                                   | 41,617   |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD  | \$ 6,305                                | \$39,269 |

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The accompanying notes form an integral part of these consolidated financial statements.

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RADVISION LTD.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

#### Note 1 - BASIS OF PRESENTATION

The condensed consolidated balance sheet as of March 31, 2002, the condensed consolidated statements of operations for the three months periods ended March 31, 2001 and 2002 and the condensed consolidated statements of cash flows for the three month periods ended March 31, 2001 and 2002 have been prepared by the Company without audit. The condensed consolidated balance sheet data as of December 31, 2001 has been derived from the Company's audited financial statements as of that date.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. In the opinion of management, all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows at March 31, 2001 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the Securities and Exchange Commission rules and regulations. These condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001 filed with the Securities and Exchange Commission.

The condensed consolidated financial statements of the Company have been prepared in U.S. dollars, as the currency of the primary economic environment in which the operations of the Company are conducted is the U.S. dollar. All of the Company's sales are in U.S. dollars or are dollar-linked. Most purchases of materials and components and most marketing costs are denominated in U.S. dollars. Therefore, the functional currency of the Company is the U.S. dollar.

Transactions and balances originally denominated in U.S. dollars are presented at their original amounts. Transactions and balances in other currencies are remeasured into U.S. dollars in accordance with the principles set forth in Statement No. 52 of the Financial Accounting Standards Board of the United States

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("FASB"). Accordingly, items have been remeasured as follows:

- Monetary items - at the exchange rate in effect on the balance sheet date.

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- Non monetary items - at historical exchange rates.
- Revenue and expense items - at the exchange rates in effect as of the date of recognition of those items, excluding depreciation and other items deriving from non-monetary items.

All exchange gains and losses from the remeasurement mentioned above, which are immaterial for all periods presented are reflected in the statement of operations. The representative rate of exchange at March 31, 2002 was U.S.\$1.00 = New Israeli Shekel (NIS) 4.668 and at March 31, 2001 = NIS 4.192.

Note 2 - RECENTLY ISSUED NEW ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141") and No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). SFAS 141 requires all business combinations initiated after September 30, 2001 to be accounted for using the purchase method. Under SFAS 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed annually (or more frequently if impairment indicators arise) for impairment. All other intangible assets will continue to be amortized over their estimated useful lives. The amortization provisions of SFAS 142 apply to goodwill and intangible assets acquired after March 31, 2002. With respect to goodwill and intangible assets acquired prior to July 1, 2001, the Company is required to adopt SFAS 142 effective January 1, 2002. The Company believes that the adoption of SFAS 141 and SFAS 142 will not have an effect on its financial statements.

Note 3 - INVENTORIES

|                          | March 31, 2002 | December 31, 2001 |
|--------------------------|----------------|-------------------|
| Materials and components | \$ 472         | \$ 991            |
| Work in process          | 428            | 391               |
| Finished products        | 268            | 502               |
|                          | ---            | ---               |
|                          | \$1,168        | \$1,884           |
|                          | =====          | =====             |

Note 4 - REPURCHASE OF ORDINARY SHARES

On February 28, 2001, the Company announced that its Board of Directors authorized the repurchase of up to 10% of its outstanding ordinary shares in the open market from time to time at prevailing market prices. No time limit was given with respect

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to the duration of the share repurchase program. As of March 31, 2002 the Company had repurchased 1,866,115 ordinary shares at a cost of \$11.8 million. The Company may use the repurchased shares for issuance upon exercise of employee stock options or other corporate purposes.

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors which have affected our financial position and operating results during the periods included in the accompanying condensed consolidated financial statements.

The discussion and analysis which follows in this quarterly report may contain trend analysis and other forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to future events and financial results. These include statements regarding our earnings, projected growth and forecasts, and similar matters that are not historical facts. We remind shareholders that forward-looking statements are merely predictions and therefore are inherently subject to uncertainties and other factors that could cause the future results to differ materially from those described in the forward-looking statements. These uncertainties and other factors include, but are not limited to, the uncertainties and factors included in the "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

#### Overview

We are a leading designer, developer and supplier of products and technology that enable real-time voice, video and data communications over packet networks, including the Internet and other IP networks.

We were incorporated in January 1992, commenced operations in October 1992 and commenced sales of our products in the fourth quarter of 1994. Before that time, our operations consisted primarily of research and development and recruiting personnel. In 1995, we established a wholly owned subsidiary in the United States, RADVision Inc., which conducts our sales and marketing activities in North America. In 2000, we established a wholly owned subsidiary in the Hong Kong, RADVision HK Ltd, which conducts our marketing activities in Asia Pacific. In 2001, we established a wholly owned subsidiary in the United Kingdom, RADVision (UK) Ltd, which conducts our marketing activities in England.

#### Revenues

We generate revenues from sales of our networking products that are primarily sold in the form of stand-alone products, and our technology products that are primarily sold in the form of software development kits, as well as related maintenance and support services. We generally recognize revenues from the sale of our products upon shipment and when collection is probable. Revenues generated from maintenance and support services are deferred and recognized ratably over the period of the term of service. We price our networking products on a per unit basis, and grant discounts based upon unit volumes. We price our software development kits on the basis of a fixed-fee plus royalties from products developed using the software development kits. We sell our products and technology through direct sales and various indirect distribution channels in



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North America, Europe, the Far East and Israel.

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### Results of Operations

The following table presents, as a percentage of total revenues, condensed statements of operations data for the periods indicated:

|                                 | Three months ended<br>March 31, |                    |
|---------------------------------|---------------------------------|--------------------|
|                                 | -----<br>2002<br>-----<br>%     | 2001<br>-----<br>% |
| Revenues                        |                                 |                    |
| Networking products.....        | 72.1                            | 67.2               |
| Technology products.....        | 27.9                            | 32.8               |
| Total revenues.....             | 100.0                           | 100.0              |
| Cost of revenues                |                                 |                    |
| Networking products.....        | 21.8                            | 23.2               |
| Technology products.....        | 0.3                             | 1.8                |
| Total cost of revenues.....     | 22.1                            | 25.0               |
| Gross profit.....               | 77.9                            | 75.0               |
| Operating expenses              |                                 |                    |
| Research and development.....   | 35.0                            | 31.9               |
| Marketing and selling.....      | 38.7                            | 32.5               |
| General and administrative..... | 8.4                             | 7.9                |
| Total operating expenses.....   | 82.1                            | 72.3               |
| Operating income (loss).....    | (4.2)                           | 2.7                |
| Financial income.....           | 6.5                             | 9.4                |
| Net income.....                 | 2.3                             | 12.1               |

Three Months Ended March 31, 2002 Compared with Three Months Ended March 31, 2001

Revenues. Revenues decreased from \$14.9 million for the three months ended March 31, 2001 to \$11.6 million for the three months ended March 31, 2002, a decrease of \$3.3 million, or 22.1%. This decrease was due to a \$1.7 million, or 34.7%, decrease in sales of our technology products and a decrease of \$1.6 million, or 16%, in sales of our networking products.

Revenues from networking products decreased from \$10.0 million for the three months ended March 31, 2001 to \$8.4 million for the three months ended March 31, 2002. The decrease is attributable to an ongoing softness in enterprise spending all over the world.

Revenues from technology products decreased from \$4.9 million for the three months ended March 31, 2001 to \$3.2 million for the three months ended March 31, 2002. This decrease is primarily attributable to decreased market demand as budgets for these products declined due to the worldwide economic downturn.

Revenues from sales to customers in the United States decreased from \$10.9 million, or 73.2% of revenues, for the three months ended March 31, 2001, to \$7.3 million, or 62.9% of revenues, for the three months ended March 31, 2002, a decrease of \$3.6 million, or 33.0%. This decrease in sales to customers in the

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United States was primarily attributable to the ongoing softness in enterprise spending in the United States.

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Revenues from sales to customers in Europe remained constant at \$1.7 million, or, for the three month periods ended March 31, 2001 (11.4% of revenues), and March 31, 2002 (14.7% of revenues). Revenues from sales to customers in the Far East increased from \$1.6 million, or 10.7% of revenues, for the three months ended March 31, 2001, to \$2.0 million, or 17.2% of revenues, for the three months ended March 31, 2002, an increase of \$400,000, or 25.0%. This increase in sales to customers in the Far East was primarily attributable to increased market demand for our products in this region.

Revenues from sales to customers in Israel decreased from \$629,000, or 4.2% of revenues, for the three months ended March 31, 2001, to \$ 537,000, or 4.6% of revenues, for the three months ended March 31, 2002, a decrease of \$92,000, or 14.6%.

Cost of Revenues. Cost of revenues decreased from \$3.7 million for the three month period ended March 31, 2001 to \$2.6 million for the three months ended March 31, 2002, a decrease of \$1.1 million, or 29.7%. Gross profit as a percentage of revenues increased from 75.0% for the three months ended March 31, 2001 to 77.9% for the three months ended March 31, 2002, due to the increased proportion of sales of new networking products with higher profit margins.

Research and Development. Research and development expenses decreased from \$4.8 million for the three months ended March 31, 2001 to \$4.0 million for the three months ended March 31, 2002, a decrease of \$800,000 or 16.7%. This decrease was primarily attributable to a decrease in the number of research and development personnel whom we employed.

Marketing and Selling. Marketing and selling expenses decreased from \$4.8 million for the three months ended March 31, 2001 to \$4.5 million for the three months ended March 31, 2002, a decrease of \$300,000 or 6.3%. We decreased our marketing and selling expenses in the period in response to the current and expected continued softness in the market for our products. Marketing and selling expenses as a percentage of revenues increased from 32.5% for the three months ended March 31, 2001 to 38.7% for the three months ended March 31, 2002.

General and Administrative. General and administrative expenses decreased from \$1.2 million for the three months ended March 31, 2001 to \$1.0 million for the three months ended March 31, 2002, a decrease of \$200,000 or 16.7%. This decrease was primarily attributable to a decrease in personnel expenses. General and administrative expenses as a percentage of revenues was 7.9% for the three months ended March 31, 2001 and 8.4% for the three months ended March 31, 2002.

Operating Income (Loss). We had operating income of \$404,000 for the three months ended March 31, 2001 compared to an operating loss of \$480,000 for the three months ended March 31, 2002, principally as a result of the decrease in revenues.

Financial Income. We had financial income of \$1.4 million for the three months ended March 31, 2001 compared to \$752,000 for the three months ended March 31, 2002. This income was principally derived from the investment of the proceeds of our March 2000 initial public offering and private placement. Our financial income declined principally as a result of lower interest rates and the use of a portion of our invested funds in connection with our stock repurchase program.

Net Income. Net income for the quarter was \$272,000 compared with net income of \$1.5 million for the first quarter of 2001.

#### Liquidity and Capital Resources

From our inception until our initial public offering in March 2000, we financed our operations through cash generated by operations and a combination of private placements of our share capital and borrowings under lines of credit. Through December 31, 1999, we raised a total of approximately \$12.2 million in aggregate net proceeds in four private placements. In March 2000, we sold 4,370,000 of our ordinary shares in an initial public offering and 590,822 ordinary shares in a private placement. We received net proceeds of \$89.2 million from the public offering and private placement. As of March 31, 2002, we had approximately \$6.3 million in cash and cash equivalents, \$35.0 million in short term investments and our working capital was approximately \$35.0 million. Taking into account long-term liquid investments, we had \$84.8 million in cash and liquid investments as of March 31, 2002.

Net cash provided by operating activities was approximately \$1.2 million for the three months ended March 31, 2002. This amount was primarily attributable to a decrease of \$716,000 in inventories, depreciation of \$685,000 and a \$687,000 decrease in trade payables. These increases in cash provided by operating activities were offset in part by an increase in other receivables and prepaid expenses of \$613,000 and an increase in other payables and accrued expenses of \$899,000.

The decrease in inventories for the three months ended March 31, 2002 was primarily due to our efforts to manage our inventory to correspond with our revenues. The slight increase in accounts receivable at March 31, 2002 was primarily the result of increase in our revenues compared to the last quarter of 2001.

Net cash provided by investing activities was \$286,000 for the three months ended March 31, 2002. During the three months ended March 31, 2002, \$297,000 of cash used in investing activities was for purchases of property and equipment.

Net cash used in financing activities was \$1.9 million for the three months ended March 31, 2002, which funds were primarily used for stock repurchases.

As of March 31, 2002, we had \$12,000 outstanding under an equipment term loan facility and an unused \$2.5 million line of credit.

Our capital requirements are dependent on many factors, including market acceptance of our products and the allocation of resources to our research and development efforts, as well as our marketing and sales activities. We anticipate that our cash resources will be used primarily to fund our operating activities, as well as for capital expenditures. We do not believe that our capital expenditures and lease commitments will increase for the foreseeable future due to the anticipated slowdown in the growth of our operations, infrastructure and personnel. Nevertheless, we may establish additional operations as we expand globally.

On February 28, 2001, we announced that our Board of Directors authorized the repurchase of up to 10% of our outstanding ordinary shares in the open market from time to time at prevailing

market prices. No time limit was given with respect to the duration of the share repurchase program. As of March 31, 2002 we had repurchased 1,866,115 ordinary shares at a cost of \$1.8 million. We may use the repurchased shares for issuance upon exercise of employee stock options or other corporate purposes.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We currently do not invest in, or hold for trading or other purposes, any financial instruments subject to market risk. We invest our cash surplus in time deposits, cash deposits, U.S. federal agency securities and corporate bonds with an average credit rating of A2. We currently pay interest on our equipment term loan facility based on the London interbank offered rate. As a result, changes in the general level of interest rates directly affect the amount of interest payable by us under this facility. However, because our outstanding debt under this facility has been insignificant, we do not expect our exposure to market risk from changes in interest rates to be material.

We cannot assure you that we will not be materially and adversely affected in the future if inflation in Israel exceeds the devaluation of the NIS against the dollar or if the timing of the devaluation lags behind inflation in Israel.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

-----  
 We are not involved in any legal proceedings that are material to our business or financial condition.

Item 2. Changes in Securities and Use of Proceeds

-----  
 Use of Proceeds. The following information required by Item 701(f) of Regulation S-K relates to our initial public offering of ordinary shares of our company on March 14, 2000. The following table sets forth, with respect to the ordinary shares registered, the amount of securities registered, the aggregate offering price of amount registered, the amount sold and the aggregate offering price of the amount sold, for both the account of our company and the account of any selling security holder.

|   | For the<br>account of<br>the company<br>----- | For the<br>account of<br>the selling<br>shareholder<br>----- |
|---|---|--|
| Number of ordinary shares registered .....      | 4,370,000                                     | N/A  |
| Aggregate offering price of shares registered.. | \$87,400,000                                  | N/A  |
| Number of ordinary shares sold .....            | 4,370,000                                     | N/A  |

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Aggregate offering price of shares sold ..... \$87,400,000          N/A

The following table sets forth the expenses incurred by us in connection with our public offering during the period commencing the effective date of the Registration Statement and ending March 31, 2002. None of such expenses were paid directly or indirectly to directors, officers, persons owning 10% or more of any class of equity securities of our company or to our affiliates.

|  | Direct or indirect<br>payments to<br>persons other than<br>affiliated persons<br>----- |
|--|--|
|  | \$6,118,000  |
| Underwriting discounts and commissions ..... |  |
| Finders' fees .....                          | 550,000  |
| Expenses paid to or for underwriters.....    | 41,290   |
| Other expenses .....                         | 2,241,113  |
|  | -----  |
| Total expenses .....                         | \$8,950,403  |
|  | =====  |

The net public offering proceeds to us, after deducting the total expenses (set forth in the table above), were \$78,449,597.

The following table sets forth the amount of net public offering proceeds used by us for the purposes listed below. None of such payments were paid directly or indirectly to directors, officers, persons owning 10% or more of any class of our equity securities or to our affiliates.

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| Purpose<br>-----  | Direct or indirect<br>payments to<br>persons other than<br>affiliated persons<br>----- |
|---|--|
| Acquisition of other companies and business(es) ....          | N/A  |
| Construction of plant, building and facilities.....           | N/A  |
| Purchase and installation of machinery<br>and equipment ..... | N/A  |
| Purchase of real estate .....                                 | N/A  |
| Repayment of indebtedness .....                               | N/A  |
| Working capital .....   | \$34,970,000   |
| Temporary investments .....                                   | N/A  |
| Other purposes .....  | N/A  |

Item 3. Defaults Upon Senior Securities  
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None

Item 4. Submission of Matters to a Vote of Security Holders  
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None

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Item 5. Other Information  
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None

Item 6. Exhibits and Reports on Form 8-K  
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(a) Reports on Form 8-K filed during the last quarter of the period covered by this report:

None

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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)

/s/Gad Tamari  
-----  
Gad Tamari  
Chief Executive Officer

/s/David Seligman  
-----  
David Seligman  
Chief Financial Officer

Date: May 9, 2002

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