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RADVISION LTD  
Form 6-K  
October 26, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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 October 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 Third Quarter 2006 Results  
dated October 26, 2006.

Press Release

Source: RADVISION

RADVISION Reports Strong Third Quarter 2006 Results

Thursday October 26, 8:00 am ET

Revenues Reach \$23.6 million

Diluted EPS Is \$0.09 Including Patent Settlement Reserve

Non-GAAP Diluted EPS Is \$0.23 before Reserve and FAS123R Effect

FAIR LAWN, N.J.--(BUSINESS WIRE)--RADVISION(R) (Nasdaq: RVSN - News) today announced that revenues for the third quarter of 2006 reached a record \$23.6 million, representing a 24% increase from \$19.1 million reported in the third quarter of 2005.

Operating income for the third quarter of 2006 was \$1.1 million, including a reserve of \$1.9 million for a proposed patent settlement. Excluding the effects of stock-based compensation expense related to the adoption of FAS123R and the patent settlement reserve (amounting to \$1.2 million and \$1.9 million, respectively), the Company achieved operating income of \$4.2 million on a non-GAAP basis. This compares with operating income of \$3.2 million reported in the third quarter of 2005.

Net income for the 2006 third quarter was \$2.0 million, or \$0.09 per diluted share. Excluding the effects of stock-based compensation expense and the patent settlement reserve (equivalent to \$0.05 and \$0.09 per diluted share, respectively), net income was \$5.1 million or \$0.23 per diluted share on a non-GAAP basis. This compares with \$3.9 million or \$0.18 per diluted share reported in the 2005 third quarter.

The Company had forecast that 2006 third quarter revenues would approximate \$23.2 million and that net income would approximate \$3.4 million or \$0.15 per diluted share including stock-based compensation expense related to the adoption of FAS123R. Excluding this item, the Company expected third quarter 2006 non-GAAP net income to be \$4.7 million or \$0.21 per diluted share.

Business unit revenues for the third quarter of 2006 consisted of \$17.7 million in Networking Business Unit (NBU) sales and \$5.9 million in Technology Business Unit (TBU) sales, representing increases of 31% and 5%, respectively, over the third quarter of 2005. NBU revenues exceeded the Company's forecast and TBU revenues were in line with it.

For the first nine months of 2006, revenues were \$65.8 million, operating income was \$5.1 million and net income was \$8.1 million or \$0.36 per diluted share. Excluding the effects of stock-based compensation expense and the patent settlement reserve (amounting to \$3.5 million and \$1.9 million, respectively,

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and equivalent to \$0.15 and \$0.08 per diluted share, respectively), operating income for the first nine months of 2006 was \$10.4 million and net income was \$13.5 million or \$0.59 per diluted share, on a non-GAAP basis. For the first nine months of 2005, revenues were \$52.8 million, operating income was \$7.3 million and net income was \$9.3 million or \$0.42 per diluted share.

The Company ended the third quarter of 2006 with approximately \$135.7 million in cash and liquid investments, equivalent to \$6.15 per basic share, and a decrease of \$2.7 million from June 30, 2006. The decrease reflects the use of \$7.0 million for the repurchase of Company shares and \$300,000 of capital expenditures, offset by cash flow from operations of \$3.7 million and cash flow from the exercise of options of \$900,000.

Boaz Raviv, Chief Executive Officer, commented: "Our strong third quarter revenue growth was driven by the continued success and market share gains of our new SCOPIA(TM) v.5 platform, which contributed to a 51% increase in our room conferencing revenues over the third quarter of 2005. This included a very strong year-over-year increase in our sales through Cisco, our largest channel partner. The balance of our room conferencing sales increased 19% over the 2005 third quarter. Our third quarter growth is even more noteworthy as it did not include any revenues from the final phase of the DISA project, which will be recognized in future quarters."

"We have identified the desktop and 3G markets as future growth levers. We were pleased to announce in September that IBM chose our desktop solution Click to Meet(R) as part of its unified communications solution for IBM Lotus SameTime 7.5. Essentially, Click to Meet is the multi-point videoconferencing plug-in for Lotus SameTime 7.5, the latest version of IBM's collaboration software for real-time communication. We are also seeing Click to Meet used increasingly by systems integrators and service providers as a video platform and engine, expanding its potential market."

"To further enable the development of the 3G market opportunity, we announced the general availability of our new PC-to-Mobile 3G solution in the third quarter, which provides an easy solution for mobile operators to offer 3G visual communications to subscribers on desktops and laptops as well as on 3G handsets. We have now added a significant pilot for a leading U.S. mobile carrier to develop a prototype of an EVDO-based PC-to-Mobile solution as well as chat services based on our Interactive Video Platform or IVP. This is an exciting opportunity because of the size of the potential market with the introduction of EVDO-Rev.A service in the U.S."

The Company noted that 3G revenues increased year over year while revenues from its Click to Meet desktop solution were below the 2005 third quarter because two of its Federal projects did not get re-funding.

Mr. Raviv continued: "Our TBU revenues grew 5% from the third quarter of 2005 and included significant sales of our new IMS-compliant SIP Toolkit. We recently introduced the ProLab(TM) IMS testing tool, the second in our planned portfolio of IMS development products. The fast-growing IPTV market offers another important growth opportunity for our TBU as the IP set-top box is evolving into a converged communications device. Our TBU working with Texas Instruments created a reference design for a converged IPTV set-top box with video telephony and 3G mobile functionality based on their DaVinci chipset and our Multimedia Terminal Framework. We demonstrated it at IBC in Amsterdam in September."

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Mr. Raviv concluded: "Our growth in the third quarter resulted from our continued execution and our focus on technology leadership. We have world-class channel partners and 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 fourth quarter of 2006 to be approximately \$24.7 million and net income to approximate \$4.1 million or \$0.18 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, fourth quarter 2006 non-GAAP net income is expected to be \$5.4 million or \$0.24 per diluted share. That compares to fourth quarter 2005 revenues of \$21.2 million and net income of \$5.4 million or \$0.24 per diluted share. (Full details are available on the Company's web site at [www.radvision.com](http://www.radvision.com).)

### Third Quarter 2006 Earnings Conference Call/Webcast

RADVISION will hold a conference call to discuss its third quarter 2006 results and fourth quarter outlook, today, Thursday, October 26, 2006 at 9:00 a.m. (Eastern). To access the conference call, please dial 1-888-791-1856 (International dialers may call +1-210-234-0005) by 8:45 a.m. (Eastern) on October 26th. 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/](http://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 11:59 p.m. (Eastern) on November 2nd. To access the replay, please dial 1-866-454-2130 (International dialers may call +1-203-369-1246).

The PowerPoint presentation highlighting key financial metrics as well as the fourth 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 October 26th and will be archived on the website until the end of the fourth 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

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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.

The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

RADVISION LTD.				
Consolidated Statements of Income				
(U.S. Dollars in thousands, except per share data)				
	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
	(Unaudited)		(Unaudited)	
Revenues	\$ 23,622	\$ 19,089	\$ 65,762	\$ 52,842
Cost of revenues	4,833	3,401	12,913	9,280
Gross profit	18,789	15,688	52,849	43,562
Operating costs and expenses:				
Research and development	6,571	5,171	18,476	14,880
Marketing and selling	7,635	6,165	22,801	17,928
General and administrative	1,629	1,165	4,605	3,476
Patent settlement reserve	1,900	-	1,900	-
Total operating costs and expenses	17,735	12,501	47,782	36,284
Operating income	1,054	3,187	5,067	7,278
Financial income, net	1,500	774	4,204	2,103
Income before taxes	2,554	3,961	9,271	9,381
Taxes on income, net	569	11	1,178	41
Net income	\$ 1,985	\$ 3,950	\$ 8,093	\$ 9,340
Basic net earnings per Ordinary share	\$ 0.09	\$ 0.19	\$ 0.37	\$ 0.45

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Weighted Average Number of Shares Outstanding During the Period - Basic	22,082,339	21,220,854	22,097,909	20,976,682
Diluted net earnings per Ordinary share	\$ 0.09	\$ 0.18	\$ 0.36	\$ 0.42
Weighted Average Number of Shares Outstanding During the Period - Diluted	22,589,133	22,065,259	22,719,826	22,039,798

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,			
	2006		2005	
	Unaudited			
	GAAP results (as reported)	Non-GAAP adjustment to share-based compensation	Non-GAAP results	GAAP results (as reported)
Cost of revenues	4,833	99	4,734	3,401
Gross profit	18,789	99	18,888	15,688

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Total operating costs and expenses	17,735	1,116	16,619	12,501
Operating income	1,054	1,215	2,269	3,187
Income before taxes	2,554	1,215	3,769	3,961
Net income	\$ 1,985	\$ 1,215	\$ 3,200	\$ 3,950
	=====	=====	=====	=====
Basic net earnings per Ordinary share	\$ 0.09	\$ 0.06	\$ 0.15	\$ 0.19
	=====	=====	=====	=====
Diluted net earnings per Ordinary share	\$ 0.09	\$ 0.05	\$ 0.14	\$ 0.18
	=====	=====	=====	=====

Nine months ended September 30,

	2006		2005	
	-----			
	Unaudited			
	-----			
	GAAP results (as reported)	Non-GAAP adjustment to share-based compensation	Non-GAAP results	GAAP results (as reported)
	-----	-----	-----	-----
Cost of revenues	12,913	264	12,649	9,280
Gross profit	52,849	264	53,113	43,562
Total operating costs and expenses	47,782	3,194	44,588	36,284
Operating income	5,067	3,458	8,525	7,278
Income before taxes	9,271	3,458	12,729	9,381
Net income	\$ 8,093	\$ 3,458	\$ 11,551	\$ 9,340
	=====	=====	=====	=====
Basic net earnings per Ordinary share	\$ 0.37	\$ 0.15	\$ 0.52	\$ 0.45
	=====	=====	=====	=====
Diluted net earnings per Ordinary share	\$ 0.36	\$ 0.15	\$ 0.51	\$ 0.42
	=====	=====	=====	=====

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

	September 30, 2006	December 31, 2005
ASSETS	Unaudited	Audited
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents *)	\$ 19,879	\$ 32,927
Short-term bank deposits *)	35,859	17,503
Short-term marketable securities *)	35,285	46,015
Trade receivables, net	15,656	12,257
Other accounts receivable and prepaid expenses	2,995	4,318
Inventories	3,110	2,593
<b>Total current assets</b>	<b>112,784</b>	<b>115,613</b>
<b>LONG-TERM INVESTMENTS AND RECEIVABLES:</b>		
Long-term bank deposits *)	14,349	11,395
Long-term marketable securities *)	30,340	17,111
Severance pay fund	3,427	2,931
<b>Total long-term investments and receivables</b>	<b>48,116</b>	<b>31,437</b>
Property and equipment, net	3,512	3,190
Goodwill	2,966	2,966
Intangible assets, net	2,723	3,542
<b>Total assets</b>	<b>170,101</b>	<b>\$ 156,748</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 1,571	\$ 1,783
Deferred revenues	9,176	8,533
Accrued expenses and other accounts payable	14,551	12,122
<b>Total current liabilities</b>	<b>25,298</b>	<b>22,438</b>
Accrued severance pay	4,367	3,643
<b>Total liabilities</b>	<b>29,665</b>	<b>26,081</b>



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SHAREHOLDERS' EQUITY:

Share capital	227	218
Additional paid-in capital	124,329	116,446
Treasury Stock (455,973 and 0 Ordinary shares as of September 30, 2006 and December 31, 2005 respectively)	(5,661)	-
Retained earnings	21,541	14,003
	-----	-----
Total shareholders' equity	140,436	130,667
	-----	-----
Total liabilities and shareholders' equity	170,101	\$ 156,748
	=====	=====
* ) Total cash and liquid investments	\$ 135,712	\$ 124,951
	=====	=====

Contact:

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Chief Financial Officer  
cfo@radvision.com

or

Investor Relations:  
Comm-Partners LLC  
June Filingeri, +1 203-972-0186  
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

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Arnold Taragin  
Corporate Vice President and General Counsel

Date: October 26, 2006