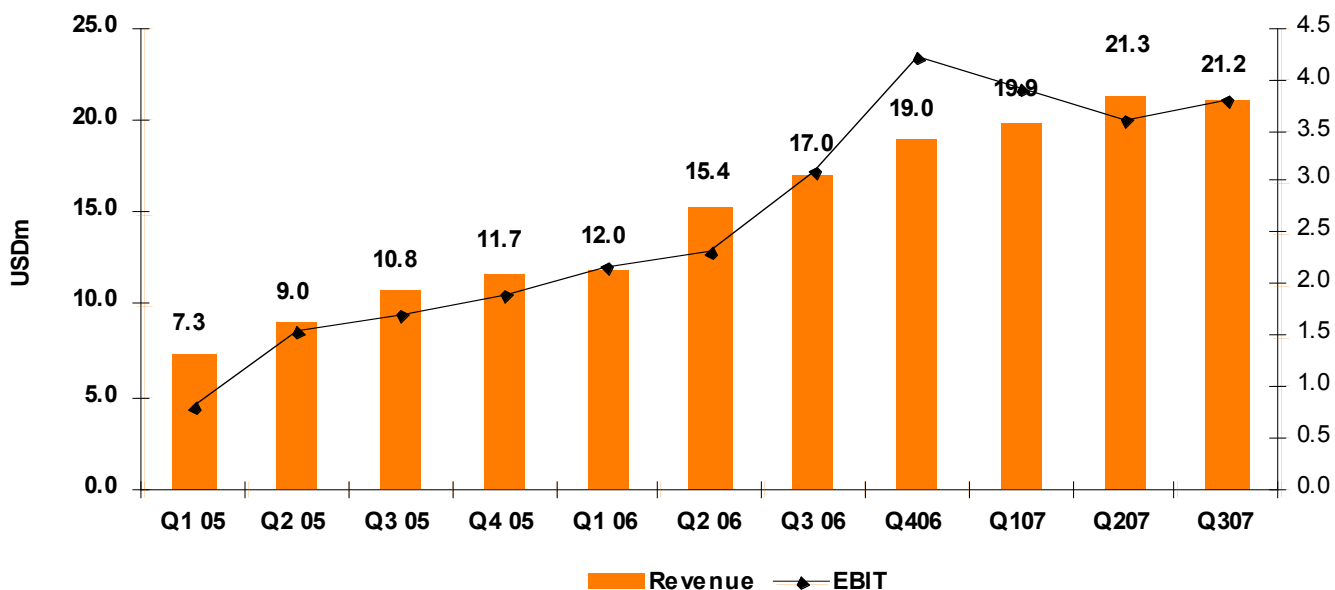




Vizrt Reports Nine Months 2007 Results

Revenue reached USD 62.4 million, up 40% compared to nine months 2006

Bergen, Norway, November 7, 2007, **Vizrt** Ltd. (Frankfurt Prime Standard, Oslo Main List: **VIZ**) today announced its financial results for the first nine months of 2007 with record revenue reaching USD 62.4M compared to revenues of USD 44.4M for nine months 2006. Revenue increased by 40%. All major regions attributed to the strong revenue growth.



Financial highlights for the nine months ended September, 30 2007

- Consolidated revenues for nine months increased by 40% to USD 62.4M compared to USD 44.4M for nine months 2006.
- EBIT in 9 months 2007 was USD 11.3M, up 49% compared to EBIT of USD 7.6M for nine months 2006.
- EBITDA (excluding taxes, interest, depreciation, stock-based compensation and equity loss in an affiliate) for 9 months 2007 was up 51% to USD 15.2M compared to USD 10.0M for nine months 2006.
- Basic earnings per share for 9 months 2007 was USD 0.18 compared to USD 0.14 for 9 months 2006
- Diluted earnings per share for 9 months 2007 was USD 0.17, compared to USD 0.13 for 9 months 2006
- On July 31, 2007, **Vizrt** distributed dividend to its shareholders totaling USD 8.2 Million. Consequently cash balance as of September 30, 2007 was USD 42.1M (including cash and short term deposits) compared to USD 38.2M as of December 31, 2006, generating a gross amount of USD 12.1M in first 9 months of 2007 (including the dividend distribution).

- On August 20, 2007, the company distributed two bonus shares for every one share held by the shareholders of the company. All share and per share data were retroactively adjusted.

Outlook

We have focused on three main points the last half year:

- Preparing the MAM-business for “an explosion” we believe will happen over the next two to three years. That includes improving margins as well as overall internal handling of related issues. We believe that we have taken the right steps, including an Indian operation that will deal with bandwidth, as well as taking the right steps when it comes to project management. Based on the recent months work we expect to be a main player in the MAM-business and expect to see the fruits of these efforts in the second half of 2008.
- Sports will be an increasingly important business for **Vizrt** in the years to come. We are in serious discussions with major sports events organizers as well as major leagues and clubs with regards to our MAM-products and the combined MAM and graphics. We expect to announce the first major deals in that segment towards the end of this year.
- We have also paid a lot of attention to GM rather than the top line. These efforts start to show results.

Looking towards 2008 we believe the two first quarters will be on a growth rate of a little over 20% (Q over Q) and the last half year should give us growth numbers in the thirties.

Financial highlights for the three months ended September 30, 2007

- Consolidated revenues increased by 25% to USD 21.2M compared to USD 17.0M in Q3 2006, and USD 21.3M in Q2 2007.
- EBIT was USD 3.8M, up 24% compared to EBIT of USD 3.1M in Q3 2006.
- EBITDA (excluding taxes, interest, depreciation, amortization of intangible assets and stock-based compensation) up 23% to USD 5.2M compared to USD 4.2M in Q3 2006.
- Basic and diluted earnings per share in Q3 2007 remained at USD 0.06.

Revenue highlights:

- Revenue increased by 40% compared to 9 months 2006. The dynamic revenue increase was well distributed between the major regions, lead by SE Asia & Pacific showing 92% growth, Europe showing 33% growth and The Americas showing 44% growth.
- Geographic breakdown of revenue was:

Territories (In US\$ thousands)	9M/07	9M/06	Q3/07	Q3/06	Q2/07
Europe	29,602	22,243	8,950	9,853	9,352
The Americas	15,462	10,746	6,202	4,176	5,741
Asia & Pacific	12,392	6,445	4,690	1,877	4,606
ROW	4,905	4,966	1,329	1,096	1,624
Total	62,361	44,400	21,172	17,002	21,296

Gross Margin

Gross margin (GM) for 9 months 2007 remained at 68%, same as nine months 2006. In Q3 2007 MAM GM improved by 4% compared to Q2 2007 following the extended efforts to improve delivery, customization and integration of MAM projects. Consequently the consolidated GM improved by 1% compared to Q2 2007.

Operating Expenses

Total operating expenses amounted to USD 31.2M in nine months 2007. The following table represents the total expenses

Expenses (In US\$ thousands)	9M/07	9M/06	Q3/07	Q3/06	Q2/07
S&M Expenses	17,195	12,581	5,905	4,668	5,893
G&A Expenses	3,938	3,461	1,189	1,229	1,447
R&D Expenses	10,088	6,669	3,308	2,828	3,209
Operating Expenses	31,221	22,711	10,402	8,725	10,549

- Growth in total operating expenses reflects the growth in number of employees from 261 as of September 2006 to 341 as of September 2007.
- S&M expenses increased by 37% in nine months 2007 compared to nine 2006. The increase is mainly due to the continuous growth and expansion of the company. Further more, part of S&M expenses are directly related to the revenue growth of 40% for the period. S&M expenses remain at 28% to revenue.
- G&A expenses increased by 14% in nine months 2007 compared to nine months 2006. The increase is mainly due to the company's operational growth and expansion worldwide which requires additional facilities and back-office functions in the different locations. However, G&A expenses are at 6% to revenue compared to 8% in nine months 2006.
- R&D expenses increased by 51% in nine months 2007 compared to nine months 2006. The increase was primarily due to continued policy of product development combined with adding new features and improved functionality based on customer feedback, as well as resources allocated to the integration of the MAM & Broadcast Graphics technology. Consequently R&D expenses are at 16% to revenue compared to 15% in nine months 2006.
- Total operating expenses increased by 37% or USD 8.5M in nine months 2007 compared to nine months 2006.

Taxes on income

Taxes on income for nine months 2007 are at USD 2.2M representing an effective tax rate of 17% of pre-tax earnings. The effective tax rate is a combination of the different tax rates within the multiple taxing jurisdictions **Vizrt** operates, including estimated tax benefits deriving from the "Approved Enterprise" status in Israel and are subject to audit in those jurisdictions.

Cash Position

As of September 30, 2007 the company had a balance of USD 42.1M in cash and short-term deposits compared with USD 38.2 as of December 31, 2006. Cash was generated primarily from operating activities totaling USD 12.8M. Net cash used in investing activities totaled USD 2.2M, and net cash used in financing activities, primarily for the dividend distribution offset by receipt

from exercise of options by Vizrt employees as part of the Stock Option Plan and totaled USD 6.9M.

Operating in a global multi currency environment the company has been impacted by the USD development in Q3 2007. However, the company has taken measures to minimize the exchange rate effects on its operational results.

A conference call will be held at 11:00 (CEST) today to offer analysts, investors and media the opportunity to directly discuss the results and recent developments with Bjarne Berg, CEO, and Ofra Brown, CFO of the company. Please use one of the following dial-in-numbers: +44 20 8602 0812 (UK), +47 2316 2819 (Norway), +49 69 71044 5513 (Germany), Participant. Pass code: 417243.

About **Vizrt**:

Vizrt offers a new vision for content creation and delivery with an end-to-end solution from ingest to visualization. Our solution combines **Vizrt's** true 2D/3D graphics tools with Curious Software's World Maps and Ardendo's Asset Management. Running on non proprietary software, the combination of these unique cutting edge products ensures a seamless workflow from conception to multi-format distribution. The latest addition to the **Vizrt** product range is the Viz|Multi Platform Solution.

Vizrt's product suite is used by the world's leading broadcasters including: CNN, CBS, Fox, BBC, Sky, ITN, ZDF, Star TV, TV Today, CCTV and NHK. Also, many world-class production houses and corporate institutions, including both the New York and London Stock Exchanges, utilize **Vizrt** solutions.

Vizrt is a public company traded on the Frankfurt Prime Standard and on the Oslo Main List: VIZ, ISIN: IL0010838154. For further information please refer to www.vizrt.com

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This press release contains forward-looking statements with respect to the business, financial condition and results of operations of Vizrt and its affiliates. These statements are based on the current expectations or beliefs of Vizrt's management and are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those contemplated in such forward-looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition, which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. Vizrt undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

VIZRT LTD.
CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	September 30, 2007	December 31, 2006
	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 23,126	\$ 16,358
Short-term deposit	18,954	21,833
Trade receivables, net	19,313	12,664
Other accounts receivable and prepaid expenses	3,887	2,898
Inventory	2,210	1,942
	<u>64,490</u>	<u>55,695</u>
TOTAL CURRENT ASSETS		
LONG-TERM INVESTMENTS:		
Severance pay fund	1,024	914
Investment in a company	19	179
Other	1,740	886
	<u>2,783</u>	<u>1,979</u>
TOTAL LONG-TERM INVESTMENTS		
PROPERTY AND EQUIPMENT, NET	<u>3,527</u>	<u>2,352</u>
INTANGIBLE ASSETS, NET	<u>13,789</u>	<u>15,474</u>
GOODWILL	<u>24,602</u>	<u>23,498</u>
TOTAL ASSETS	<u><u>\$ 112,191</u></u>	<u><u>\$ 98,998</u></u>

VIZRT LTD.
CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	September 30, 2007	December 31, 2006
	<u>Unaudited</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 4,233	\$ 2,181
Deferred revenues	4,954	3,967
Employees and payroll accruals	5,046	4,890
Other accounts payable and accrued expenses	<u>8,955</u>	<u>5,247</u>
TOTAL CURRENT LIABILITIES	<u>23,188</u>	<u>16,285</u>
LONG-TERM LIABILITIES:		
Accrued severance pay	1,409	1,216
Deferred Taxes	<u>4,101</u>	<u>4,557</u>
	<u>5,510</u>	<u>5,773</u>
SHAREHOLDERS' EQUITY:		
Share capital	48	47
Additional paid-in capital	136,254	134,790
Accumulated other comprehensive income	5,907	3,372
Accumulated deficit	<u>(58,716)</u>	<u>(61,269)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>83,493</u>	<u>76,940</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 112,191</u></u>	<u><u>\$ 98,998</u></u>

VIZRT LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except per share data)

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2007	2006	2007	2006	2006
	Unaudited		Unaudited		
Revenues	\$ 62,361	\$ 44,400	\$ 21,172	\$ 17,002	\$ 63,365
Cost of revenues	19,870	14,123	6,932	5,178	20,314
Gross profit	42,491	30,277	14,240	11,824	43,051
Operating expenses:					
Research and development *)	10,088	6,669	3,308	2,828	9,530
General and administrative *)	3,938	3,461	1,189	1,229	4,536
Selling and marketing *)	17,195	12,581	5,905	4,668	17,213
Total operating expenses	31,221	22,711	10,402	8,725	31,279
Operating income	11,270	7,566	3,838	3,099	11,772
Financial income, net	1,838	668	767	292	1,216
Income before taxes	13,108	8,234	4,605	3,391	12,988
Taxes on income (tax benefit)	2,167	(171)	811	(220)	799
Income before equity in losses of an affiliated company	10,941	8,405	3,794	3,611	12,189
Equity in losses of an affiliated company	160	602	40	100	606
Net income	\$ 10,781	\$ 7,803	\$ 3,754	\$ 3,511	\$ 11,583
Basic net income per share	\$ 0.18	\$ 0.14	\$ 0.06	\$ 0.06	\$ 0.21
Diluted net income per share	\$ 0.17	\$ 0.13	\$ 0.06	\$ 0.06	\$ 0.19
Weighted average number of shares used in computing basic net income per share	61,190,493	55,219,076	61,708,256	59,929,153	56,464,836
Weighted average number of shares used in computing diluted net income per share	64,328,505	58,756,222	64,663,666	63,456,562	59,995,068
*) Operating expenses include stock-based compensation as follow:					
Research and development	\$ 10	\$42	\$ 2	\$11	\$ 47
General and administrative	49	171	15	56	199
Selling and marketing	126	152	30	70	218
Total stock-based compensation	\$ 185	\$365	\$ 47	\$137	\$ 464

VIZRT LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands (except share data)

	Ordinary shares	Share capital	Additional paid-in capital	Deferred Stock-based compensation	Accumulated deficit	Other comprehensive income	Comprehensive Income	Total shareholders' equity
Balance as of December 31, 2005	49,548,390	\$ 39	\$ 106,474	\$ (62)	\$ (72,852)	\$ 27		\$ 33,626
Issuance of additional shares related to the acquisition of Curious	898,323	*)	3,487					3,487
Issuance of shares related to the acquisition of Ardendo	8,738,370	7	23,437					23,444
Exercise of options	1,504,389	1	990					991
Foreign Currency Translation Adjustments						3,160	3,160	3,160
Realized loss from hedging instruments						206	206	206
Unrealized loss from hedging instruments						(21)	(21)	(21)
Reversal of deferred stock- based compensation			(62)	62				-
Stock-based compensation related to options and restricted shares			464	-				464
Net Income					11,583		11,583	11,583
							<u>\$ 14,928</u>	
Balance as of December 31, 2006	60,689,472	\$ 47	\$ 134,790	\$ -	\$ (61,269)	\$ 3,372		\$ 76,940
Exercise of options	1,117,325	1	1,280					1,281
Foreign Currency Translation Adjustments						2,005	2,005	2,005
Realized loss from hedging instruments						21	21	21
Unrealized gain from hedging instruments						509	509	509
Stock-based compensation related to options and restricted shares			184					184
Dividend paid					(8,228)			(8,228)
Net Income					10,781		10,781	10,781
							<u>\$ 13,316</u>	
Balance as of September 30, 2007 (Unaudited)	<u>61,806,797</u>	<u>\$ 48</u>	<u>\$ 136,254</u>	<u>\$ -</u>	<u>\$ (58,716)</u>	<u>\$ 5,907</u>		<u>\$ 83,493</u>

*) Represents an amount lower than \$ 1

VIZRT LTD.
CONSOLIDATED STATEMENT OF CASH FLOW
U.S. dollars in thousands

	Nine months ended September 30,		Year Ended December 31,
	2007	2006	2006
	unaudited		
<u>Cash flows from operating activities:</u>			
Net Income	\$10,781	\$ 7,803	\$ 11,583
Adjustments required to reconcile net income to net cash provided by operating activities:			
Stock-based compensation related to options and restricted shares	184	365	464
Depreciation	1,331	657	975
Amortization of intangible assets	2,403	1,453	2,255
Deferred taxes	(1,403)	(804)	(1,921)
Increase in accounts receivable	(6,835)	(3,675)	(3,376)
Increase in inventory	(373)	(214)	(291)
Increase in deferred revenue	914	1,264	2,091
Increase in accounts payable	5,635	2,933	4,805
Equity in losses of an affiliated company	160	602	606
Net cash provided by operating activities	<u>12,797</u>	<u>10,384</u>	<u>17,191</u>
<u>Cash flows from investing activities:</u>			
Purchase of property and equipment	(2,228)	(1,008)	(1,364)
Cash acquired through acquisition of Ardendo	-	678	678
Net cash used in investing activities	<u>(2,228)</u>	<u>(330)</u>	<u>(686)</u>
<u>Cash flows from financing activities:</u>			
Dividend paid	(8,228)	-	-
Exercise of options	1,281	729	991
Net cash provided by (used in) financing activities	<u>(6,947)</u>	<u>729</u>	<u>991</u>
Effect of exchange rate changes on cash and short term deposits	<u>267</u>	<u>112</u>	<u>288</u>
Increase in cash and short-term deposits	3,889	10,895	17,784
Cash and short-term deposits at the beginning of the period	<u>38,191</u>	<u>20,407</u>	<u>20,407</u>
Cash and short-term deposits at the end of the period	<u>\$42,080</u>	<u>\$ 31,302</u>	<u>\$ 38,191</u>
Non-cash activities:			
Additional issuance of shares on the account of the acquisition of Curious	<u>\$ -</u>	<u>\$ 3,487</u>	<u>\$ 3,487</u>
Acquisition of Ardendo through issuance of shares	<u>\$ -</u>	<u>\$ 23,444</u>	<u>\$ 23,444</u>

VIZRT LTD.
SUPPLEMENTARY INFORMATION

U.S. dollars in thousands

1. Company shares held by members of the Board of Directors of the Company:

	<u>Number of ordinary shares</u> (2)	<u>Number of stock options</u> (1)
Svein Ove Strommen	2,382,795	22,500
Reidar Michaelsen	2,183,796	-
Bjarne Berg	1,957,476	22,500
Yaron Sheinman	1,673,286	90,000
Gerhard Heiberg	85,500	22,500

(1) Each convertible to one ordinary share.

(2) Held directly and / or through companies controlled by the director.

2. As of September 30, 2007 the Company employed 341 employees.
3. On July 31, 2007, the Company distributed dividend to its shareholders totaling USD 8.2 Million.
4. In August 2007, the Company issued bonus shares to the shareholders of the company in a ratio of 2:1, i.e. two bonus shares for every one share held by the shareholders of the company. All share and per share data were retroactively adjusted.