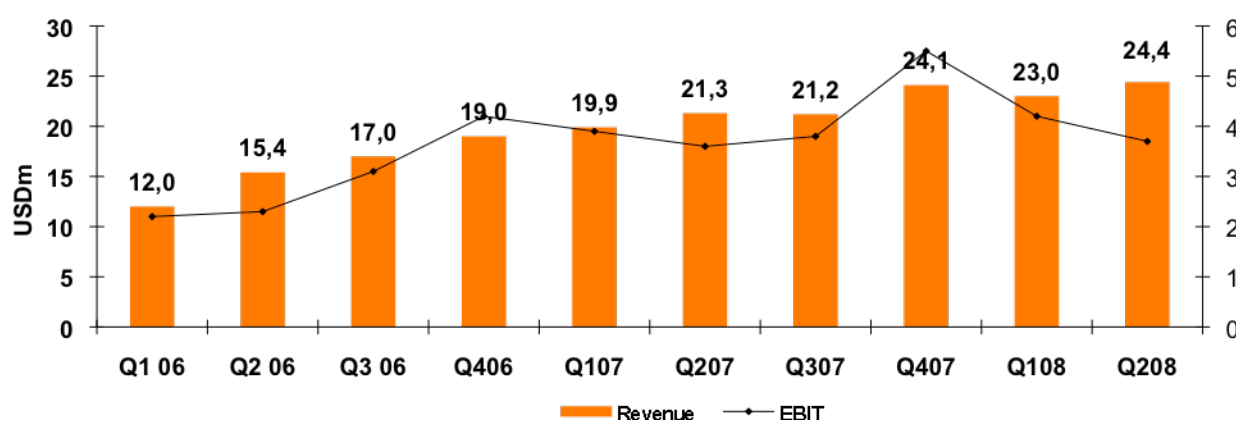


Vizrt Reports H1 and Q2 2008 Results Record Backlog of over USD 30 Million Company Reiterates Guidance

Bergen, Norway, August 14, 2008, **Vizrt Ltd.** (Frankfurt Prime Standard, Oslo Main List: **VIZ**) today announces its results for the first half & second quarter of 2008. Revenues for the first six months of 2008 increased by 15% to USD 47.4 Million, with all major regions contributing to the growth.

Due to lack of certain hardware components, the Company was not able to complete all projects earmarked for delivery in Q2 and thus revenue slipped below USD 25M. These deals are part of the record backlog of more than USD 30 million and therefore the Company still feels confident with the full year guidance provided at the beginning of the year.



Financial highlights for the six months ended June 30, 2008

- **Total Revenue:** USD 47.4M, an increase of 15% compared to USD 41.2M in H1 2007.
- **EBIT:** USD 8.4M, up 12% from USD 7.4M in H1 2007.
- **EBITDA:** (excluding taxes, interest, depreciation, amortization of intangible assets and deferred stock-based compensation) was USD 11.1M, an increase from USD 10.0M in H1 2007.
- **Net Profit:** USD 7.8M, up 11% from USD 7.0M in H1 2007.
- **Earnings per diluted share:** USD 0.12 compared to USD 0.11 in H1 2007.
- **Cash status:** USD 52.9M (including cash and short term deposits) up USD 4.9M from USD 48.0M as of December 31, 2007.

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.

Business Highlights

The acquisition of Escenic has now been completed. Terms and conditions regarding the acquisition are as announced previously. Starting August 14, 2008 Escenic's financial results will be included in the financial reports of Vizrt Ltd.

2008 Outlook

Bjarne Berg, CEO of Vizrt, stated, "Some of the orders we expected to complete this quarter have slipped into Q3 due to lack of supply of essential hardware components. However, we have built up a record backlog of over USD 30 Million for MAM and Graphics combined, and we are confident we should be able to achieve what we provided as our outlook at the beginning of the year."

"Looking at MAM, demand is exceeding our current capacity to supply. We are taking steps to increase staff in order to benefit from the strong demand. MAM requests from customers are still challenging and labor-intensive, but we are making good progress in improving our internal operational work flow and thereby increasing efficiency. Older, complex and resource intensive projects are about to be completed, which leaves room for more lucrative deals to be finalized and pursued."

"On the graphics side there are no visible signs of a slowdown, even if so far we have not reached the projected 20% growth quarter-on-quarter. Our guidance was based on a full business year and the current order backlog justifies that we still feel confident in reaching our outlook."

"The Escenic deal has now been completed and we will immediately start exploring the full potential of the combined businesses, beginning at IBC (mid-September), where we will present the first generation of integrated products. The fact that some media houses see a decrease in advertising revenues, will most likely trigger the making of smarter investments in workflow solutions that avoid a duplication of efforts, which will be crucial to control costs. Our combined and integrated products, delivering tools for graphics (traditional Vizrt), content management (Ardendo) and publishing (Escenic) are therefore a perfect match."

Financial highlights for the three months ended June 30, 2008

- **Total Revenue:** USD 24.4M, an increase of 14% compared to USD 21.3M in Q2 2007.
- **EBIT:** USD 4.1M, an increase of 15% compared to USD 3.6M in Q2 2007.
- **EBITDA:** (excluding taxes, interest, depreciation, amortization of intangible assets and deferred stock-based compensation) was USD 5.5M, an increase from USD 5.0M in Q2 2007.
- **Net Profit:** USD 3.7M, up 10% from USD 3.3M in Q2 2007.
- **Earnings per diluted share:** USD 0.06 compared to USD 0.05 in Q2 2007

Revenue highlights:

Revenues increased by 15% compared to H1 2007. All major regions contributed to growth Asia & Pacific led growth with 39%. The Americas achieved 23% growth and Europe 11%.

Geographic breakdown revenues:

Regions (in KUSD)	H108	H107	Q208	Q207	Q108
Europe	22,978	20,652	11,339	9,352	11,640
The Americas	11,354	9,259	6,191	5,714	5,163
Asia & Pacific	10,715	7,702	5,472	4,606	5,243
ROW	2,359	3,576	1,363	1,624	995
Total	47,406	41,189	24,365	21,296	23,041

Gross Margin

The Gross Margin came in at 67% as compared to 69% for H1 2007. The lower GM is mainly due to a relatively high HW contribution to the product mix sold.

Operating Expenses

Total operating expenses amounted to USD 23.9M in H1 2008.

The following table represents total operating expenses:

Expenses (in KUSD)	H108	H107	Q208	Q207	Q108
S&M Expenses	12,225	11,290	6,568	5,893	5,657
G&A Expenses	2,913	2,749	1,426	1,447	1,487
R&D Expenses	8,477	6,780	4,188	3,209	4,359
Operating Expenses	23,615	20,819	12,112	10,549	11,503

Total operating expenses increased by 13% or USD 2.8M compared to H1 2007. The increase was primarily due to staff expansion from 312 as of June 30 2007, to 381 as of June 30 2008. Furthermore, operating in a multi currency environment, currency translation issues impacted on operating expenses, mainly due to USD devaluation during the relevant period. However, the company has taken measures to minimize the exchange rate effects on its operational results.

- R&D expenses increased by 25% compared to H1 2007. The increase was primarily due to allocation of additional resources to further improve the product suites, including integrated products like the Viz Video Hub. Consequently, R&D expenses came in at 18% to revenue compared to 16% in H1 2007.

- S&M expenses increased by 11% compared to H1 2007. This increase was mainly due to the continuous growth and expansion of the company worldwide. However, S&M expenses came in at 26% to revenues compared to 27% to revenues in H1 2007.
- G&A expenses increased by 6% compared to H1 2007. The increase was mainly due to the company's operational growth globally, which requires additional facilities and back-office staff for the growing number of offices around the world. However, G&A expenses came in at 6% to revenues compared to 7% to revenues in H1 2007.

Taxes on income

Taxes on income in H1 2008 came in at USD 2.1M, representing an effective tax rate of 21% on pre-tax earnings compared to USD 1.4M in H107. The effective tax rate is a combination of the different tax rates in the multiple tax jurisdictions Vizrt operates in, including estimated tax benefits deriving from the "Approved Enterprise" status in Israel and are subject to audit in those jurisdictions.

Cash Position

As of June 30, 2008 the company had a balance of USD 52.9M in cash and short-term deposits compared with USD 48.0M as of December 31, 2007. Cash generation in H1 2008 of USD 5.0M was primarily from operating activities totaling USD 5.9M. Net cash used in investing activities amounted to USD 1.4M, and net cash deriving from financing activities totaled USD 0.1M.

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 7806 1969 (UK), +47 2316 2819 (Norway), +49 69 71044 5513 (Germany). Participant Pass Code: 733257.

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 and hardware, 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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VIZRT LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2008	2007	2008	2007	2007
	Unaudited		Unaudited		
Revenues	\$ 47,406	\$ 41,189	\$ 24,365	\$ 21,296	\$ 86,501
Cost of revenues	15,441	12,938	8,142	7,185	27,509
Gross profit	31,965	28,251	16,223	14,111	58,992
Operating expenses:					
Research and development	8,477	6,780	4,118	3,209	13,567
General and administrative	2,913	2,749	1,426	1,447	5,321
Selling and marketing	12,225	11,290	6,568	5,893	23,357
<u>Total operating expenses</u>	<u>23,615</u>	<u>20,819</u>	<u>12,112</u>	<u>10,549</u>	<u>42,245</u>
Operating income	8,350	7,432	4,111	3,562	16,747
Financial income, net	1,563	1,071	513	541	2,604
Income before taxes	9,913	8,503	4,624	4,103	19,351
Taxes on income	2,085	1,356	936	700	3,196
Income before equity in losses of an affiliated company	7,828	7,147	3,688	3,403	16,155
Equity in losses of an affiliated company	-	120	-	60	160
Net income	<u>\$ 7,828</u>	<u>\$ 7,027</u>	<u>\$ 3,688</u>	<u>\$ 3,343</u>	<u>\$ 15,995</u>
Basic net income per share	<u>\$ 0.13</u>	<u>\$ 0.12</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.26</u>
Diluted net income per share	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.25</u>
Weighted average number of shares used in computing basic net income per share	<u>61,857,442</u>	<u>60,914,697</u>	<u>61,863,454</u>	<u>61,187,277</u>	<u>61,351,217</u>
Weighted average number of shares used in computing diluted net income per share	<u>64,517,805</u>	<u>64,183,080</u>	<u>64,493,822</u>	<u>64,183,080</u>	<u>64,409,446</u>

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

	<u>June 30, 2008</u>	<u>December 31, 2007</u>
	<u>Unaudited</u>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 27,258	\$ 18,429
Short-term deposit	25,688	29,532
Trade receivables, net	26,131	21,956
Other accounts receivable and prepaid expenses	5,945	3,714
Inventories	3,769	1,997
TOTAL CURRENT ASSETS	<u>88,791</u>	<u>75,628</u>
LONG-TERM INVESTMENTS:		
Severance pay fund	1,345	1,116
Investment in affiliates	558	201
Other	2,202	1,351
TOTAL LONG-TERM INVESTMENTS	<u>4,105</u>	<u>2,668</u>
PROPERTY AND EQUIPMENT, NET	<u>4,391</u>	<u>3,616</u>
INTANGIBLE ASSETS, NET	<u>12,104</u>	<u>12,990</u>
GOODWILL	<u>25,579</u>	<u>24,643</u>
TOTAL ASSETS	<u>\$ 134,970</u>	<u>\$ 119,545</u>

VIZRT LTD.
CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	June 30, 2008	December 31, 2007
	<u>Unaudited</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 6,010	\$ 4,543
Deferred revenues	6,775	5,851
Employees and payroll accruals	4,810	6,442
Other accounts payable and accrued expenses	<u>12,551</u>	<u>8,084</u>
TOTAL CURRENT LIABILITIES	<u>30,146</u>	<u>24,920</u>
LONG-TERM LIABILITIES:		
Accrued severance pay	1,785	1,513
Deferred Taxes	<u>3,634</u>	<u>3,875</u>
	<u>5,419</u>	<u>5,388</u>
SHAREHOLDERS' EQUITY:		
Share capital	146	146
Additional paid-in capital	136,764	136,586
Accumulated other comprehensive income	8,169	6,007
Accumulated deficit	<u>(45,674)</u>	<u>(53,502)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>99,405</u>	<u>89,237</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 134,970</u>	<u>\$ 119,545</u>

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

	Six months ended June 30,		Year Ended December 31,
	2008	2007	2007
	<u>Unaudited</u>		
<u>Cash flows from operating activities:</u>			
Net Income	\$ 7,828	\$ 7,027	\$ 15,995
Adjustments required to reconcile net income to net cash provided by operating activities:			
Stock-based compensation related to options and restricted shares	50	138	225
Depreciation	911	855	1,709
Amortization of intangible assets	1,753	1,590	3,255
Deferred taxes	(1,722)	(245)	(1,486)
Tax benefit related to exercise of options	(92)	-	(383)
Increase in accounts receivable	(5,579)	(5,860)	(8,958)
Decrease (increase) in inventory	(1,805)	4	(189)
Increase in deferred revenue	774	1,485	1,798
Increase in accounts payable	3,800	4,209	6,679
Equity in losses of an affiliate	-	120	160
Net cash provided by operating activities	<u>5,918</u>	<u>9,323</u>	<u>18,805</u>
<u>Cash flows from investing activities:</u>			
Purchase of property and equipment	(1,444)	(1,282)	(2,632)
Other investments	-	-	(182)
Net cash used in investing activities	<u>(1,444)</u>	<u>(1,282)</u>	<u>(2,814)</u>
<u>Cash flows from financing activities:</u>			
Dividend paid	-	-	(8,228)
Exercise of options	36	1,247	1,287
Tax benefit related to exercise of options	92	-	383
Net cash provided by (used in) financing activities	<u>128</u>	<u>1,247</u>	<u>(6,558)</u>
Effect of exchange rate changes on cash and short term deposits	383	74	337
Increase in cash and short-term deposits	4,985	9,362	9,770
Cash and short-term deposits at the beginning of the period	<u>47,961</u>	<u>38,191</u>	<u>38,191</u>
Cash and short-term deposits at the end of the period	<u>\$ 52,946</u>	<u>\$ 47,553</u>	<u>\$ 47,961</u>

VIZRT LTD.
SUPPLEMENTARY INFORMATION

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

	<u>Number of ordinary shares (2)</u>	<u>Number of stock options (1)</u>
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
John Ranelagh	1,500	-

(1) Each convertible to one ordinary share.

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

2. As of June 30, 2008 the Company employed 381 employees.