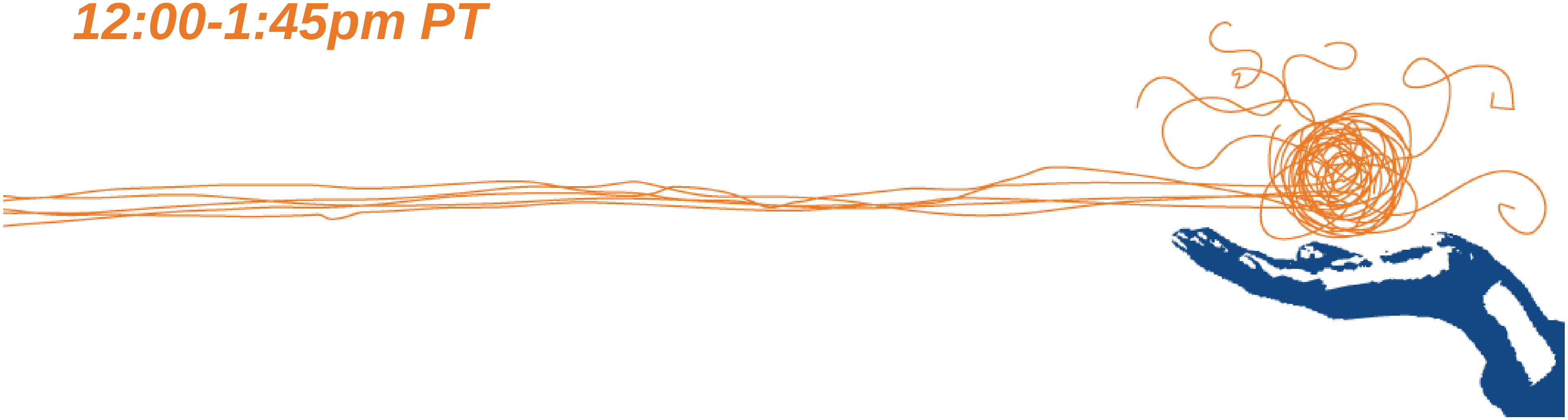
Welcome to the RadiSys Annual Investor Day

2008 AeA Oregon Technology Investor Tour

August 12, 2008
12:00-1:45pm PT



Agenda

- **12:00-12:30 Company Update:** ***Scott Grout, CEO***
- **12:30-12:40 Financial Update:** ***Brian Bronson*****, CFO**
- **12:40-1:00 Commercial Market:** ***Wade Clowes, VP***
- **1:00-1:10 Media Server Business:** ***David Smith, VP***
- **1:10-1:35 Communications Networks Market:**
  Anthony Ambrose, VP
- **1:35-1:45 Closing and Q&A:** ***Scott Grout , CEO***

*****Questions – please wait for microphone*****

Safe Harbor Statement

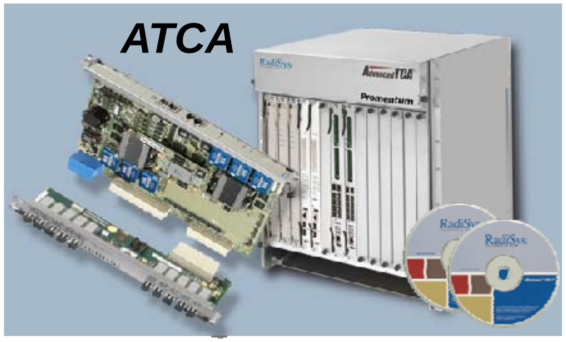
Forward –looking statements are included this presentation. Any statements in this presentation regarding future expectations for the business of RadiSys constitute forward-looking statements that involve a number of risks and uncertainties. We caution you not to place undue reliance on these statements. Factors that could cause actual results to differ materially from those in the forward-looking statements can be found in our SEC filings, including our 2007 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

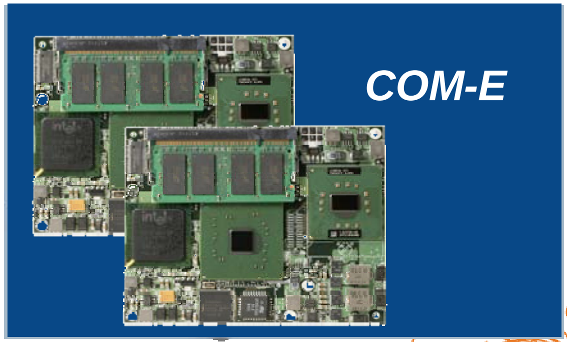
This presentation is as of August 12, 2008. The content of this presentation contains time-sensitive information that is accurate only as of the time hereof. RadiSys undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Company Overview

RadiSys
THE POWER OF WE

- **21 Years of Experience**
  - ✓ *21 years of developing embedded products*
  - ✓ *18 years of networking experience*
  - ✓ *Over 1M units deployed in highly reliable networks*
- **Top Tier Customers**
  - ✓ *Nokia-Siemens Networks, NEC, Fujitsu, ZTE, Nortel, LG-Nortel, Alcatel-Lucent, Philips Healthcare, Danaher, etc.*
- **Financial Strength**
  - ✓ *Revenue growth every year since 2003 of 6% to 21%/yr*
  - ✓ *Positive cash flow from operating activities every year since 2003 of $10M-$30M a year*
- **Global Presence**
  - ✓ *Design and manufacturing capability in NA, China, Malaysia*
  - ✓ *660 Employees with 260 in R&D*
- **Market Share Position**
  - ✓ *#1 in ATCA market share*
  - ✓ *Delivered more ATCA product than any other vendor**
  - ✓ *$90M+* of next-generation communication revenues in 2008*





As of July 29, 2008

What We Do

RadiSys Provides

embedded solutions with complete life-cycle ownership . . .

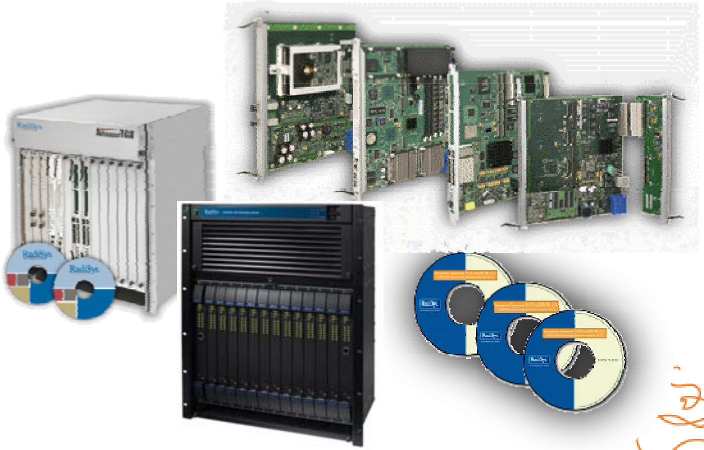
- *Concept*
- *Design*
- *Delivery*
- *Sustaining*
- *End of Life*

- *Building Blocks*
- *Turnkey Platforms*

That Enables Customers

to do more . . .

- *Get more products to market*
- *Get products to market faster*
- *Redeploy R&D to higher value*
- *Reduce product costs*



Business Profile

*79% of Sales**
*80% of R&D**

Communications Networking

Wireless, Messaging, VoIP,Security,Multimedia

*21% of Sales**
*20% of R&D**

Commercial

Medical, T&M,
Terminals, Gaming

Packet Processing

Switching

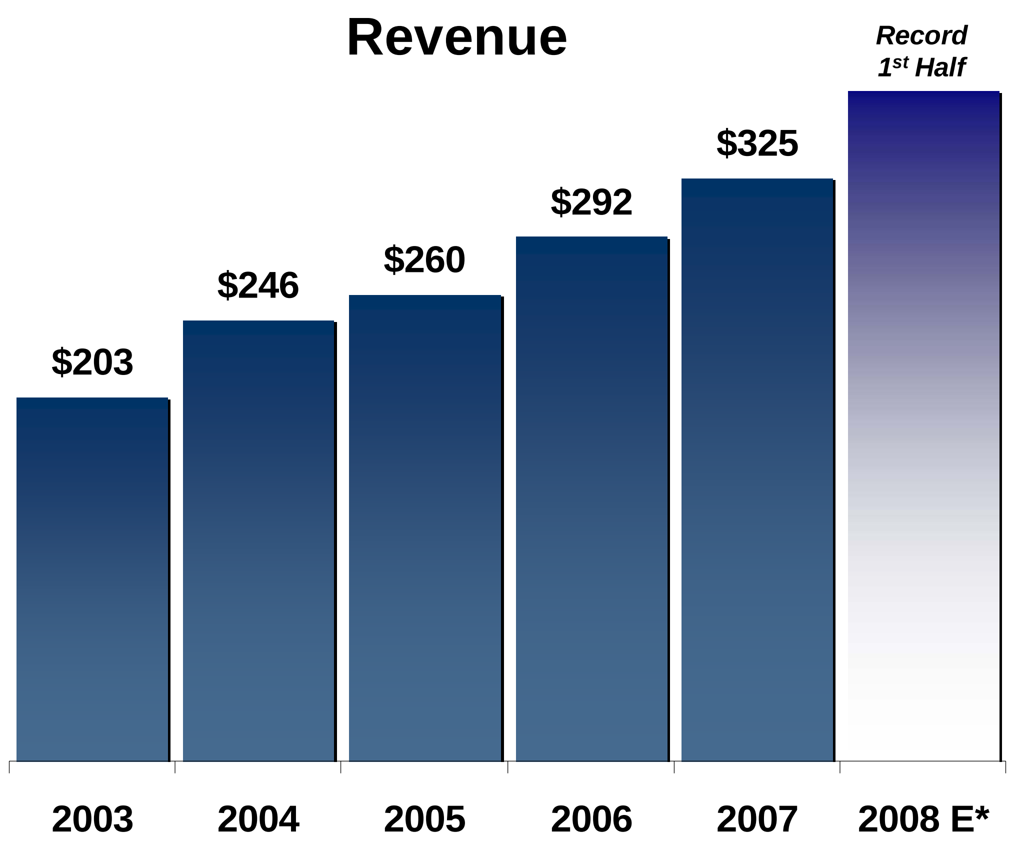
Compute

Media Processing

High-Speed I/O

**Represents first half 2008 results.*

Financial Strength



- **Strong revenue growth**
- **R&D investment of ~$46M a year in new technologies such ATCA, packet and media processing, switching, etc.**
- **Positive cash flow from operating activities every year since 2003 of $10M-$30M a year**

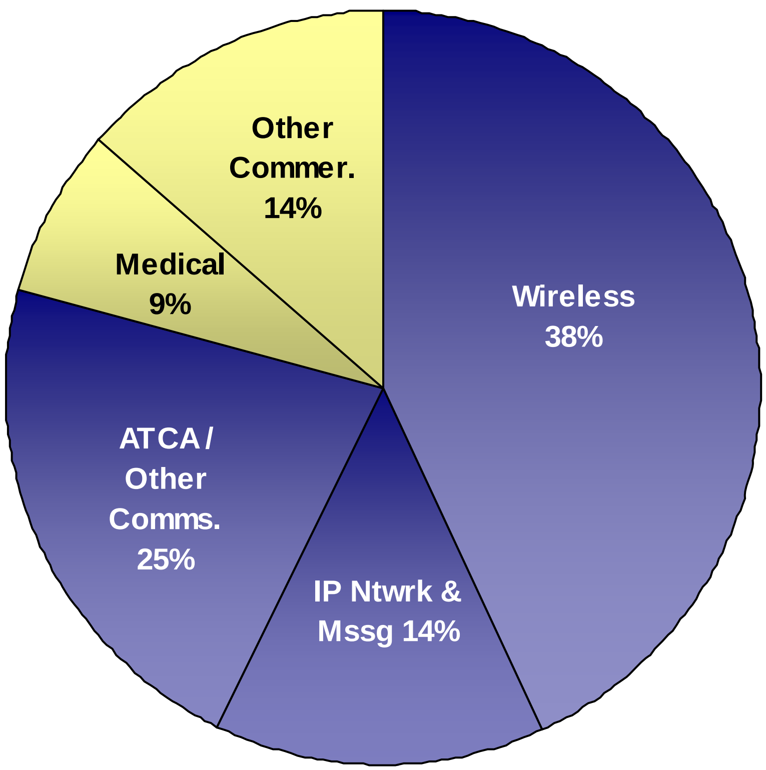
**2008 E revenue assumes the midpoint of 2008 annual guidance range of 14-16% growth YoY as of July 29, 2008 per the earnings release filed on Form 8-K.*

Customers

- Nokia Siemens Networks
- Comverse (inspire create express)
- LG-Nortel
- Philips
- Nortel Networks
- Huawei
- ZTE
- Fujitsu
- Italtel
- Alcatel·Lucent
- Tektronix (Danaher)
- west
- IBM
- Siemens
- NEC
- Avaya
- hp invent
- Genesys Conferencing
- Samsung
- Accu-Sort (Danaher)
- Agilent
- Fluke (Danaher)
- Emerson
- Tekelec
- Premiere Global Services
- Arrow

Revenues by Market & Geography

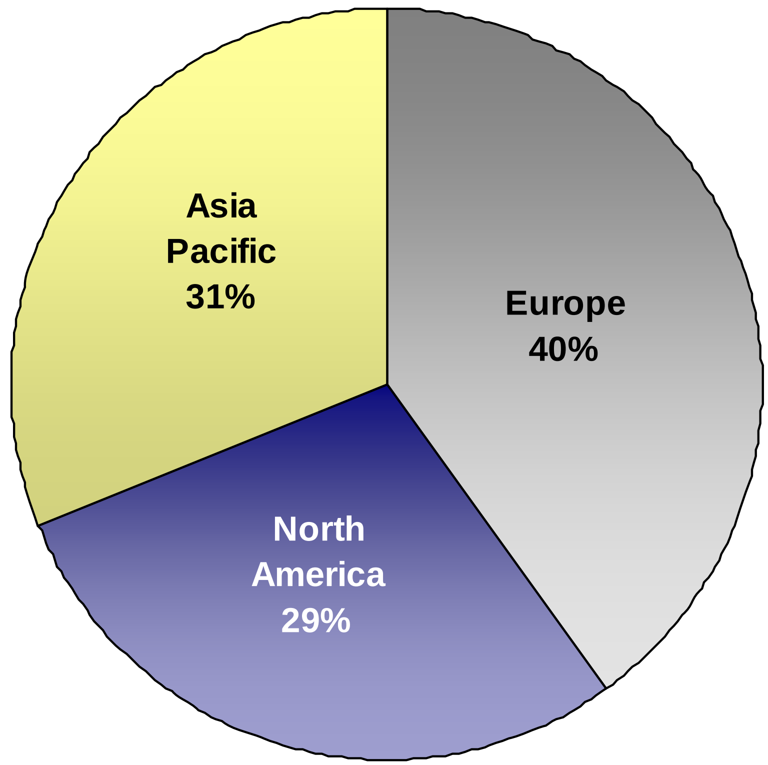
By End Market



Communications Markets - 79%

Commercial Markets - 21%

By Geography



Balanced and diverse revenues by region

Note: Data represents first half 2008 results.

Global Business Growth

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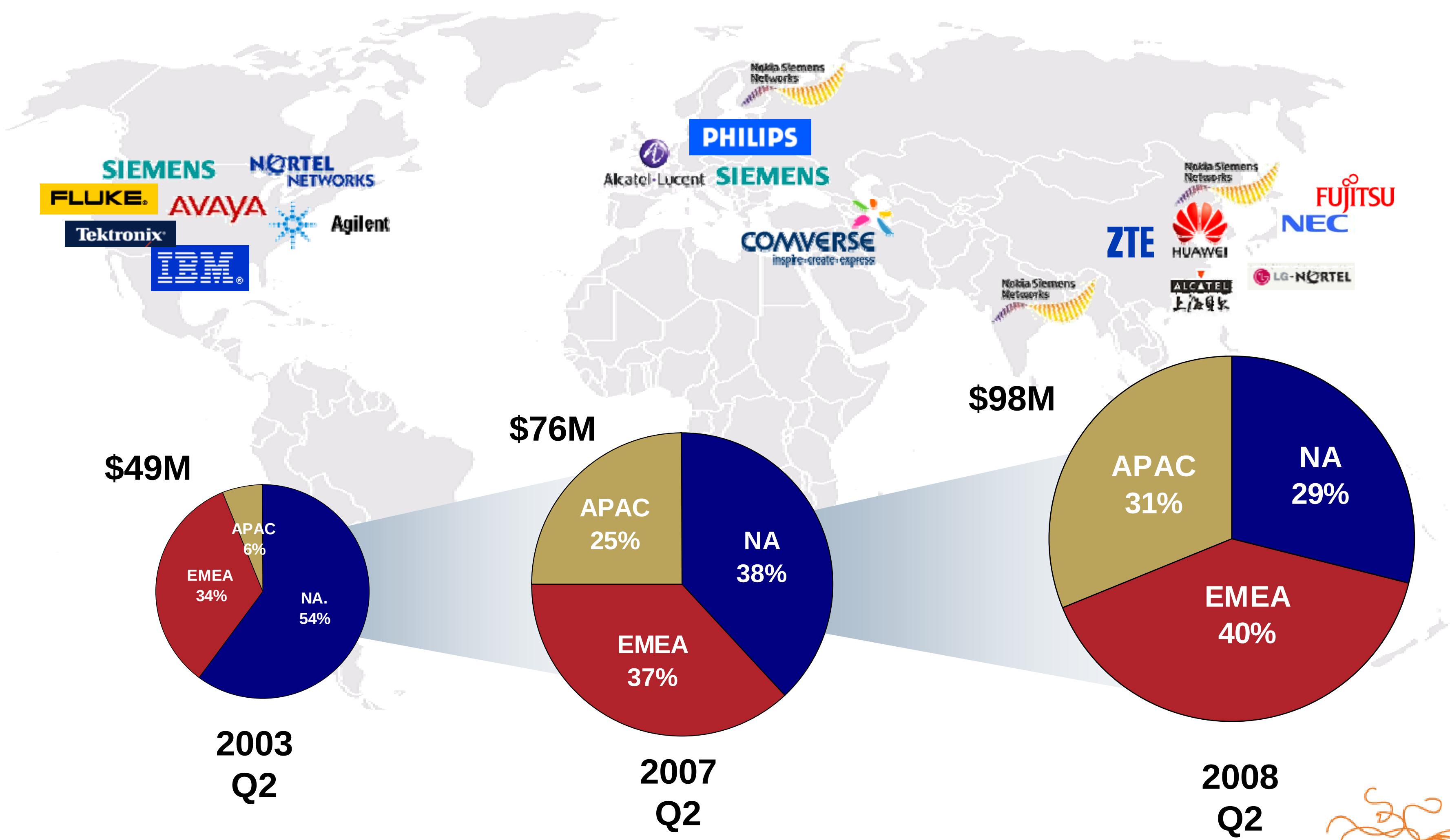

Principal Competitors

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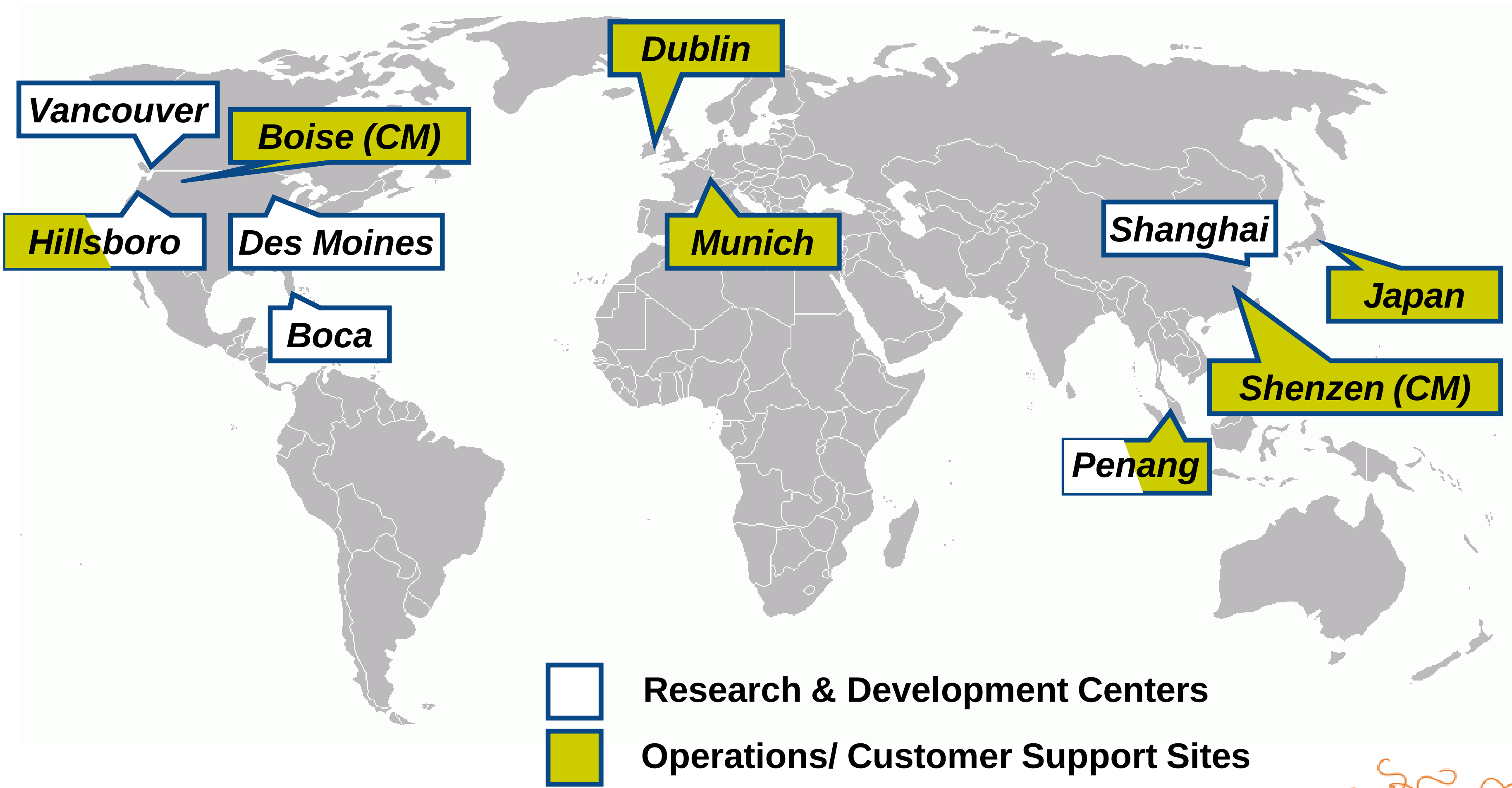
- **Our customers**

Choose to keep development in-house and proprietary

- **Platform providers**

- **Board providers**
  - ✓ *Primarily board focused*
  - ✓ *Dozens of niche players*

Global Operations



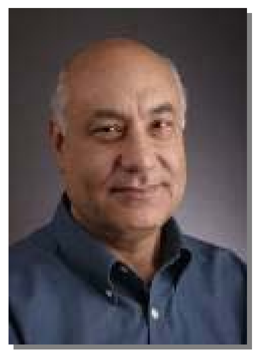
Leadership Team

President & CEO
Scott Grout

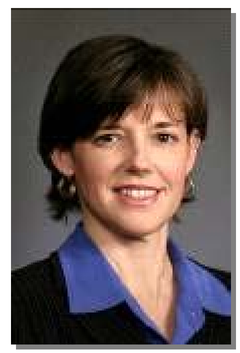
VP / GM Comm. Networking
Anthony Ambrose

VP / GM Commerical
Wade Clowes

VP Global Sales / Service
Chris Lepiane



CTO
George Shenoda



VP Corp. Ops
Julia Harper

CFO
Brian Bronson

VP Strategy & Business Development
Todd Etchieson

RadiSys Core Competencies

- **Strong Design Capabilities**
  - ✓ *NPU Design* ***– hardware and software (Intel, Cavium, Wintegra, Agere)***
  - ✓ *Switch Design* ***– high speed switching hardware and software (first to market with 10G)***
  - ✓ *CPU Design* ***– high density, high performance, telecom processors (Intel)***
  - ✓ *Media Processing* ***- SW and HW based solutions***
  - ✓ *I/O Design* ***– high speed, multi protocol I/O hardware and software (Opt/Elect)***
  - ✓ *DSP Design* ***– high performance HW and SW designs***
  - ✓ *Mechanical Design* ***– NEBs compliant, complex mechanical and thermal design***
  - ✓ *Platform SW* ***– system management, HA, Linux (Montavisita, WindRiver, Red Hat)***
  - ✓ *Integrated Platforms* ***– media server, ATCA & NB application server, ATCA data-plane processing***
- **Cost & Quality Focused Supply Chain**
  - ✓ *Manufacturing* ***- Asia-based, low-cost, high-volume, agile/flexible***
  - ✓ *Materials* ***– Low cost Asia-based component supply chain***
  - ✓ *Quality* ***– ISO and TL certified***
- **Customer Valued Focus on Lifecycle Management (7-10 years)**
  - ✓ *Sustaining Engineering* ***– cost reduction, performance improvement, EOL, etc.***
  - ✓ *Service and Support* ***- dedicated customer program managers., high touch customer care***

. . . All Done with High Operational Efficiency . . .

Strategic Transformations

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From		To
ODM Services	→	*Product Company*
Hardware Only	→	*HW, SW & Systems*
ASP's $2-$4K	→	*ASP's $20 - $30/$60K*
GM %'s 20's	→	***30%+** (ATCA) **& 60%+** (Media Server)*
Rev Concentrated	→	***Rev diversified** – 50+ new customers*
U.S. Centric	→	***Global –** Ops, R&D, Customers*
In-house Mfg	→	*80% Outsourced Mfg*
Technology Centric	→	*Market Centric & Tech Enabled*

Strategic Progress

- **Develop – Market Leading Products**
  - ✓ *ATCA, Media Servers, COM-E and Imaging Products*
- **Win – Significant New Design Win Traction**
  - ✓ *90+ new customers, dozens of new apps, hundreds of millions in projected revenue*
  - ✓ *Acquisition of Convedia and Intel MCPD (ATCA communication platforms division)*
- **Deploy – New Product Deployments Starting to Ramp**
  - ✓ *Estimated $90M* of 2008 next-generation communications (ATCA & Media Server) revenues*
  - ✓ *New product ASPs, margins and value meaningfully above legacy*

We are here

As of July 29, 2008

Progress on New Products

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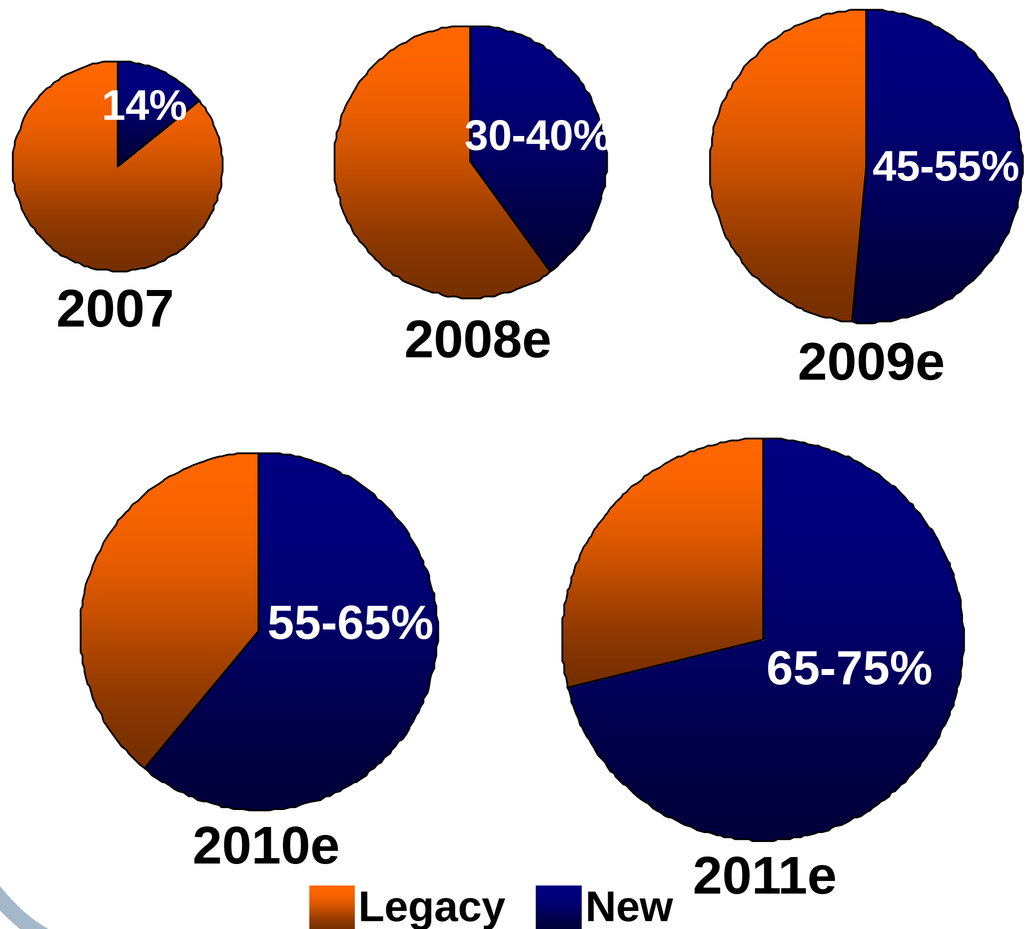
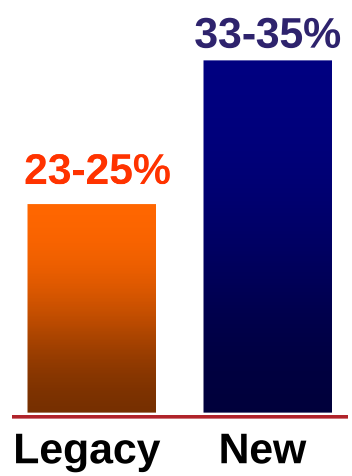
Projected Revenues



Projected Combined Gross Margins*



Projected Gross Margins by Product Group:

Media Servers 60-70%
ATCA Systems 35-45%
New Boards 28-35%
High volume legacy products ~20%

Represents Non-GAAP estimated gross margins for 2008-2011. Non-GAAP gross margins exclude intangible amortization and stock based compensation expense. A reconciliation of actual GAAP to Non-GAAP gross margins is located in earnings release tables filed on Form 8-Ks.

10Gb/s ATCA Products

Promentum Product Family

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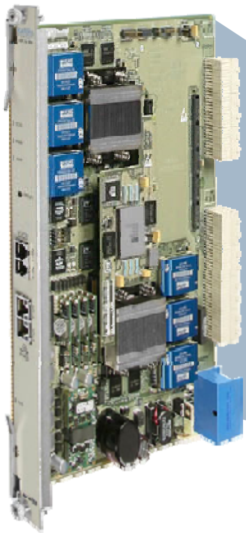
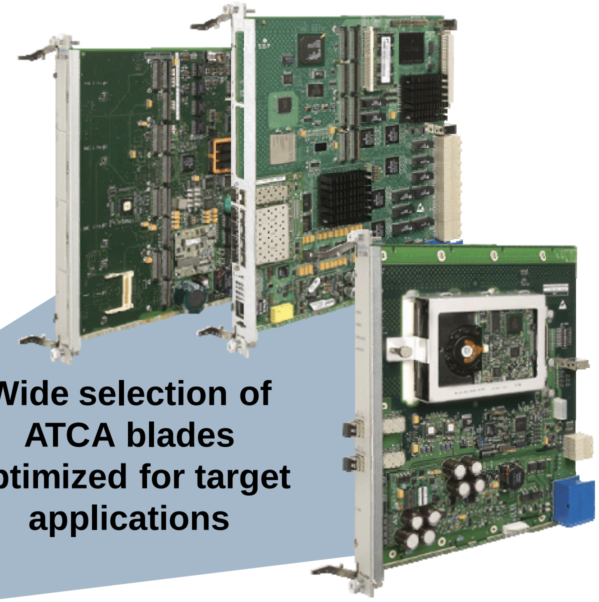
Promentum®

AdvancedTCA®



10G switching to handle high throughput applications



Wide selection of ATCA blades optimized for target applications

Platform software including shelf management & HPI libraries, datapath software, blade/switch management, etc.

Best in class partners to complete integrated, application-ready platform

CG Linux OS
HA Middleware
Building Block Assets
Silicon, Chassis, etc.

10G has been installed into live networks

#1 Market Share Position in ATCA CPU Blades

RadiSys ATCA Strategy

- **To be the ATCA Market and Technology Leader**
  - ✓ *First to market with new technologies (e.g. 10Gb/s switch, platform, packet processing, media processing, etc.)*
  - ✓ *High credibility in making and meeting technology promises – our customers build their business plans around our commitments – execution matters*

- **To Truly Understand Application-Ready Platforms**
  - ✓ *Pre-validated, NEBS certified, application-ready ATCA platforms*
  - ✓ *Broad portfolio and open ecosystem of HW/SW partners*

- **To Leverage Strengths for Long-term Success**
  - ✓ *Global R&D, global manufacturing, strong CTO-office, 260 designers, excellent financial strength, etc*
  - ✓ *Make long-term investments for sustained ATCA market leadership*

RadiSys Complete ATCA Solutions

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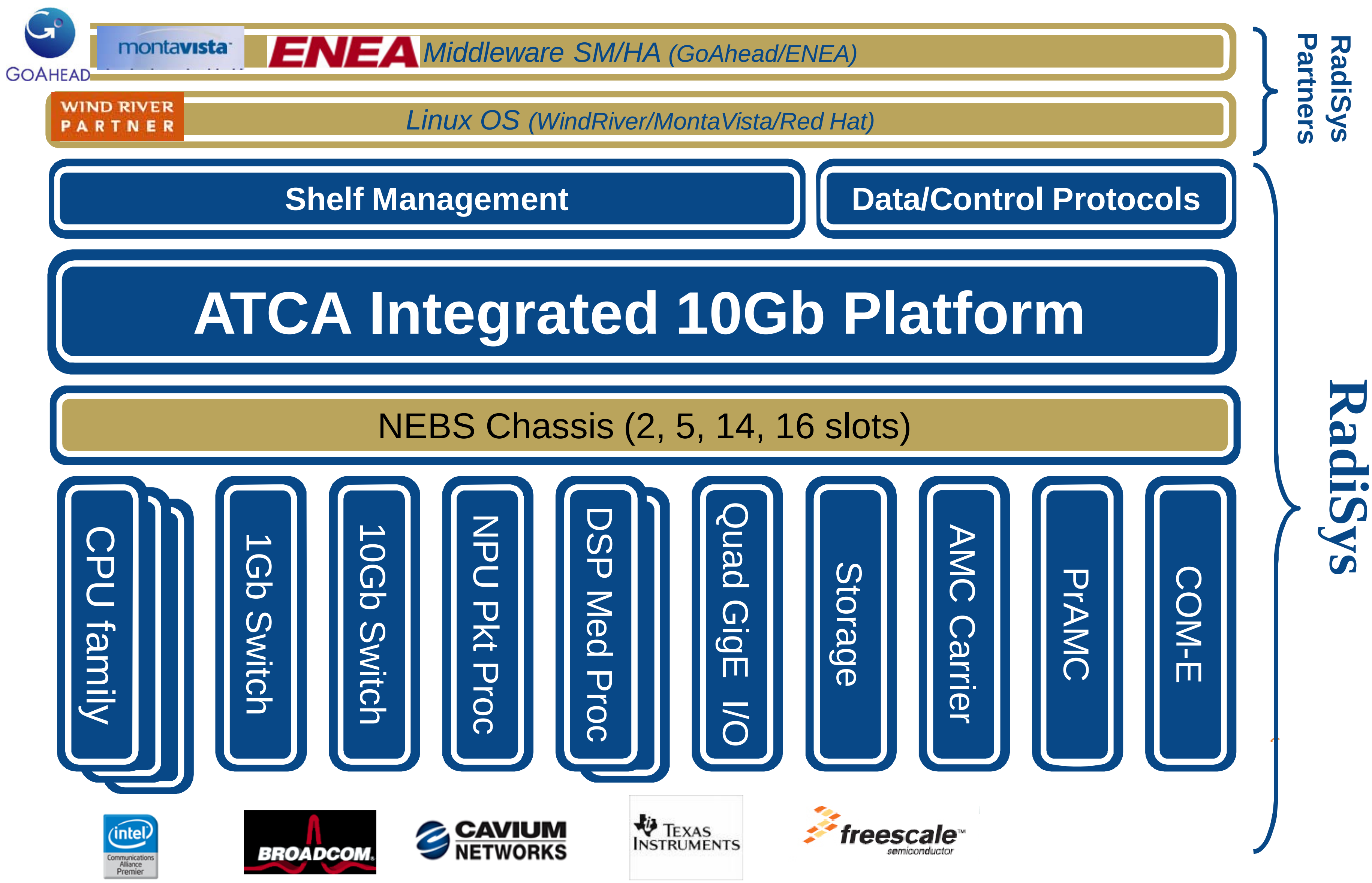

Media Server
Convedia Product Family

CMS-9000

CMS-6000

Large Telecom Service Providers

CMS-3000

CMS-1000

Small Carrier/Large Enterprise

▪ Media Server Products Defined

- ✓ *Powerful, multi-service platforms for manipulating voice, video and images in real-time*
- ✓ *Highly standards based, Extremely scalable and flexible, Feature rich voice, video and multimedia processing, 99.999% reliability/availability, Common functionality & interfaces across family, Designed and optimized specifically for IP/IMS networks*

▪ Media Server Revenues & Growth Opportunities

- ✓ *Strong revenues in 1st Half 2008 – growth in NA conferencing business*
- ✓ *Growth potential in applications such as IP based conferencing, messaging, call center, voice services and interactive voice recognition*
- ✓ *Move from TDM to IP where IP media servers are required*
- ✓ *Leveraging conferencing success in NA into Europe and Asia w/ global sales team*
- ✓ *Longer term growth opportunities with IMS in Asia*

RadiSys is the #1 Media Server Market Leader!

Computer On Module Express (COM-E)
Procelerant Product Family

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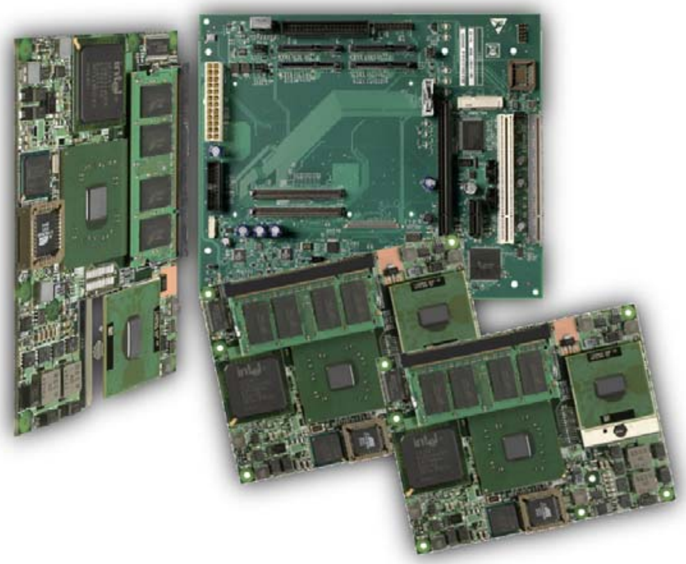

- **COM-E Overview**
  - ✓ *Computer On Module (COM)*
  - ✓ *Modular compute architect*
  - ✓ *PICMG standard driven by RadiSys, Intel, and others*
  - ✓ *Mechanically, electrically interchangeable*
- **COM-E Solutions by RadiSys**
  - ✓ *Very high density, compact, high-performance designs*
- **Architecture for Commercial Apps**
  - ✓ *Reusable*
  - ✓ *Medical imaging and diagnostics*
  - ✓ *Test and Measurement*
- **Customer Benefits**
  - ✓ *Significant TTM Advantage – Rapid new app deployment*
  - ✓ *Significant Cost Savings – long-life with IT cost curves*
  - ✓ *Significant R&D Leverage – "Zero cost" R&D, significant re-use*
  - ✓ *Better Product – Control and data plane functionality*

Investment Highlights

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- **<u>Well Positioned</u> to Capitalize on Meaningful Industry Change**
  - ✓ *Application-ready platforms for better, faster and cheaper product realization*
- **Long-Term Relationships with <u>Top Tier Customers</u>**
  - ✓ *NSN, Philips, Siemens, Comverse, Danaher, Fujitsu, Agilent*
  - ✓ *Deep engagement in a sticky, virtual division model*
- **Significant <u>Market Traction</u> with New Products**
  - ✓ *Strong design win traction*
  - ✓ *$90M+* of 2008 revenue expected from Next-Generation Communication products (ATCA & Media Server)*
  - ✓ *COM Express and Rack Mount Server new standard products showing growth in Commercial markets*
  - ✓ *New customers are making meaningful deployment progress*
- **Using <u>Targeted M&A</u> to Help Accelerate Strategies**
  - ✓ *Acquisition of Convedia in September 2006 and acquisition of Intel MCPD in September 2007*
- **A <u>Strong Foundation</u> to Support Strategies**
  - ✓ *Broad Global Footprint, Experienced Management Team, Proven Financial Growth*

Nokia Siemens Networks · FUJITSU · COMVERSE inspire·create·express · PHILIPS · Agilent · DANAHER

Convedia Media Server

***As of July 29, 2008**

Agenda

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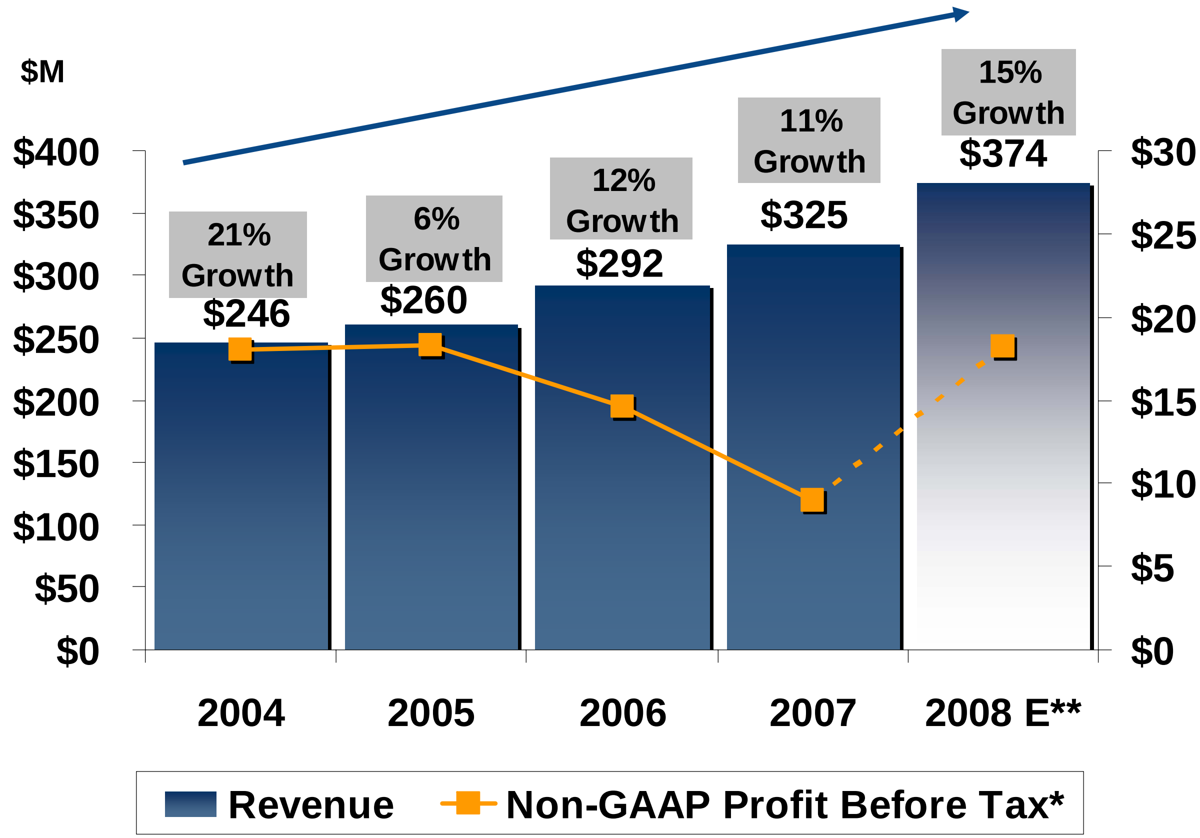
Strong 1st Half 2008 Financial Results

- **Revenue of $184M, <u>up 29%</u> YoY**
  - ✓ *Strong Wireless, Media Server & ATCA shipments*
- **Non-GAAP Gross Margin* of 28.7%, <u>up 1.5 points</u> YoY**
  - ✓ *Q2 was 29.4%*
- **Non-GAAP Operating Income* of $5.5M or 3%**
  - ✓ *Q2 was $4.8M or 5%*
- **GAAP Net Loss of $9.1M or 41 cents, <u>improved 17 cents</u> YoY**
- **Non-GAAP Net Income* of $3.9M or 16 cents, <u>up 13 cents</u> YoY**
- **Cash Flow from Operating Activities of $16.3M**
- **Good Asset Management – Cash Cycle Time of 36 days**

A reconciliation of GAAP to Non-GAAP results is provided in the July 29, 2008 RadiSys earnings release available on the RadiSys IR website and on Form 8-K filing.

Revenues and Profit Before Tax



- Good growth in revenues
- Profitable while making increased investments in new products
- Positive cash flow from operating activities every year since 2002

**Non-GAAP Profit Before Tax excludes restructuring charges/reversals, stock-based compensation, acquisition-related expenses, insurance gains, supplier settlement gains, discontinued operations, losses on sales buildings, gains on sales of businesses, and gains/losses on repurchases of convertible notes. Refer to earnings releases filed on Form 8-K available at www.radisys.com under the investor relations section of the website for a reconciliation of GAAP to Non-GAAP amounts.*

***Revenue assumes the midpoint of 2008 annual guidance range of 14-16% growth YoY as of July 29, 2008 per the earnings release filed on Form 8-K. Non-GAAP Profit Before Tax represents 1st Half 2008 actual + the midpoint of guidance range for Q3 as of July 29, 2008 and an estimate for Q4.*

Quarterly Revenues and Profits

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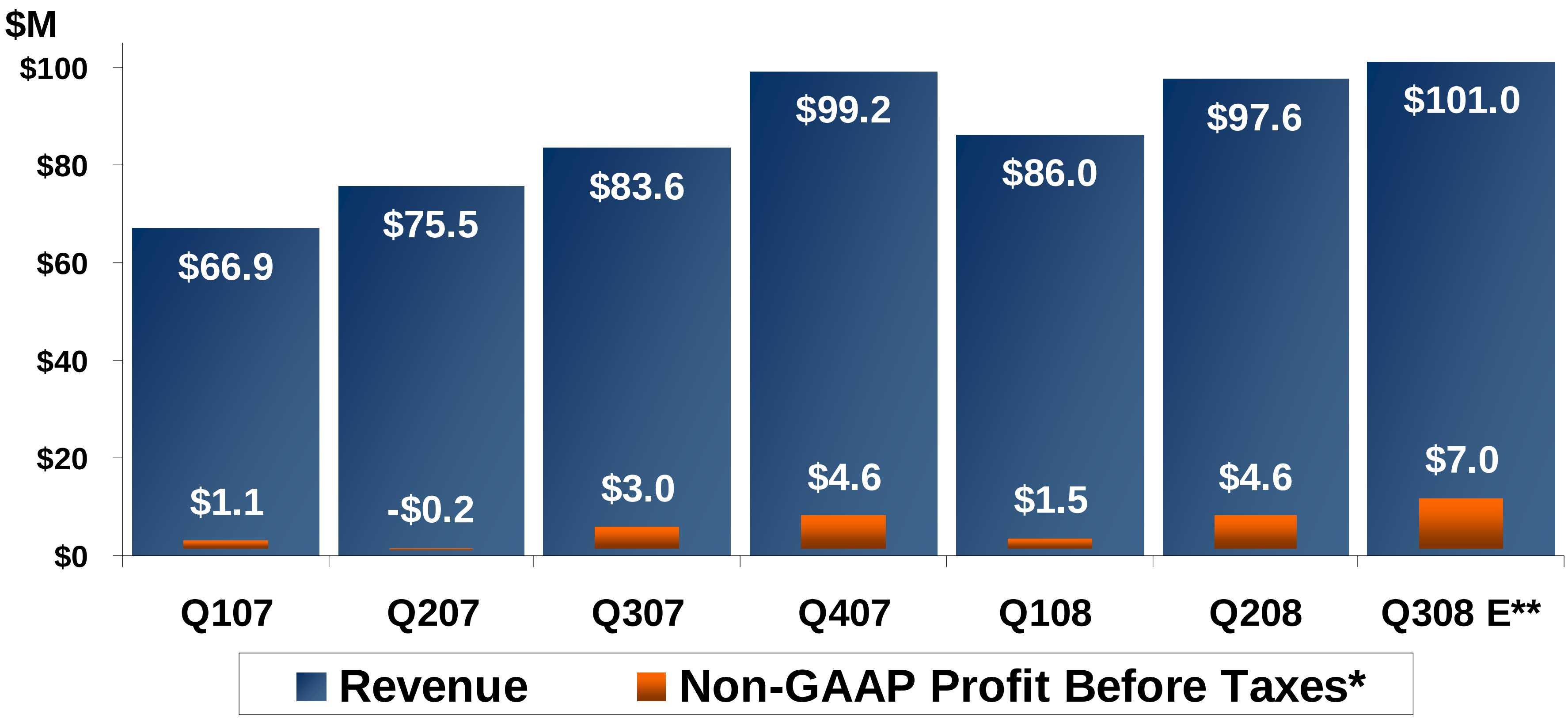


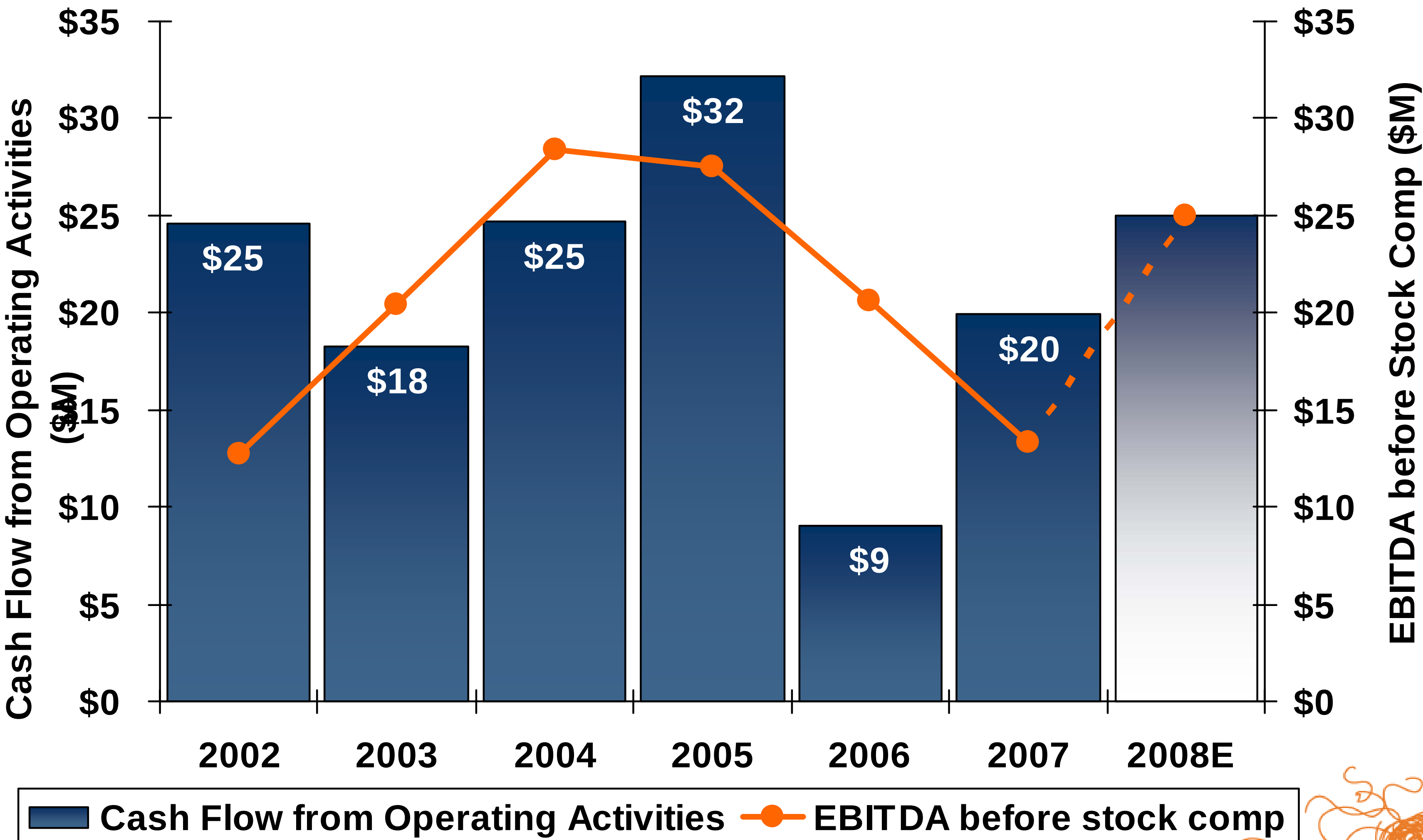
**Non-GAAP profit before taxes excludes restructuring charges/reversals, stock-based compensation expense, acquisition-related expenses, supplier settlement gains and insurance gains. Refer to earnings releases filed on Form 8-K available at www.radisys.com under the investor relations section of the website for a reconciliation of GAAP to Non-GAAP amounts.*

***Represents the midpoint of the third quarter 2008 guidance range given in the July 29, 2008 earnings release filed on Form 8-K.*

Balance Sheet

$ millions	31-Dec-04	31-Dec-05	31-Dec-06	31-Dec-07	30-Jun-08
Assets					
Cash & Investments	*$199*	*$226*	*$136*	*$123*	*$115*
Accounts Receivable	*43*	*39*	*43*	*71*	*56*
Inventory	*22*	*22*	*35*	*23*	*34*
Goodwill & Intangibles	*32*	*30*	*110*	*106*	*96*
Other Assets	*49*	*52*	*58*	*70*	*73*
Total Assets	**$345**	**$369**	**$382**	**$393**	**$374**
Liabilities and Equity					
Current Liabilities	*$47*	*$51*	*$60*	*$71*	*$110*
Convertible Notes & Other LT	*107*	*100*	*98*	*102*	*59*
Shareholders' Equity	*191*	*218*	*224*	*220*	*205*
Total Liabilities and Equity	**$345**	**$369**	**$382**	**$393**	**$374**

Cash Flow and EBITDA



Cash Strategy

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- **Total Cash and Investments of $115M as of June 30, 2008**
  - ✓ *$57M in cash & cash equivalents*
  - ✓ *$58M is long-term AAA or Aaa Auction Rate Securities - 90% backed by US government under FFELP (current lack of liquidity due to failing auctions)*
    - – **UBS announced on August 8th that they will be repurchasing all ARS's from clients at Par – Our date is 6/30/10**
- **New Convertible Senior Notes due 2013**
  - ✓ *Completed an offering for $55M at a conversion price of $13.03 or 4.2M shares at 2.75% (in Feb., 2008)*
- **Old Convertible Senior Notes due 2023**
  - ✓ *On Nov. 15, 2008 holders of the remaining $37.5M will have the right to require RadiSys to purchase principal*
- **Cash Flow Projections**
  - ✓ *Based on current cash, future cash flow projections of $3M-$5M/qtr & line of credit of $30M, we believe we have no obstacles to fund ongoing operations & payoff $37.5M of notes in November*

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Agenda

- Business Today
- Target Markets, Applications
- Products
- Summary

Commercial Applications

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Military

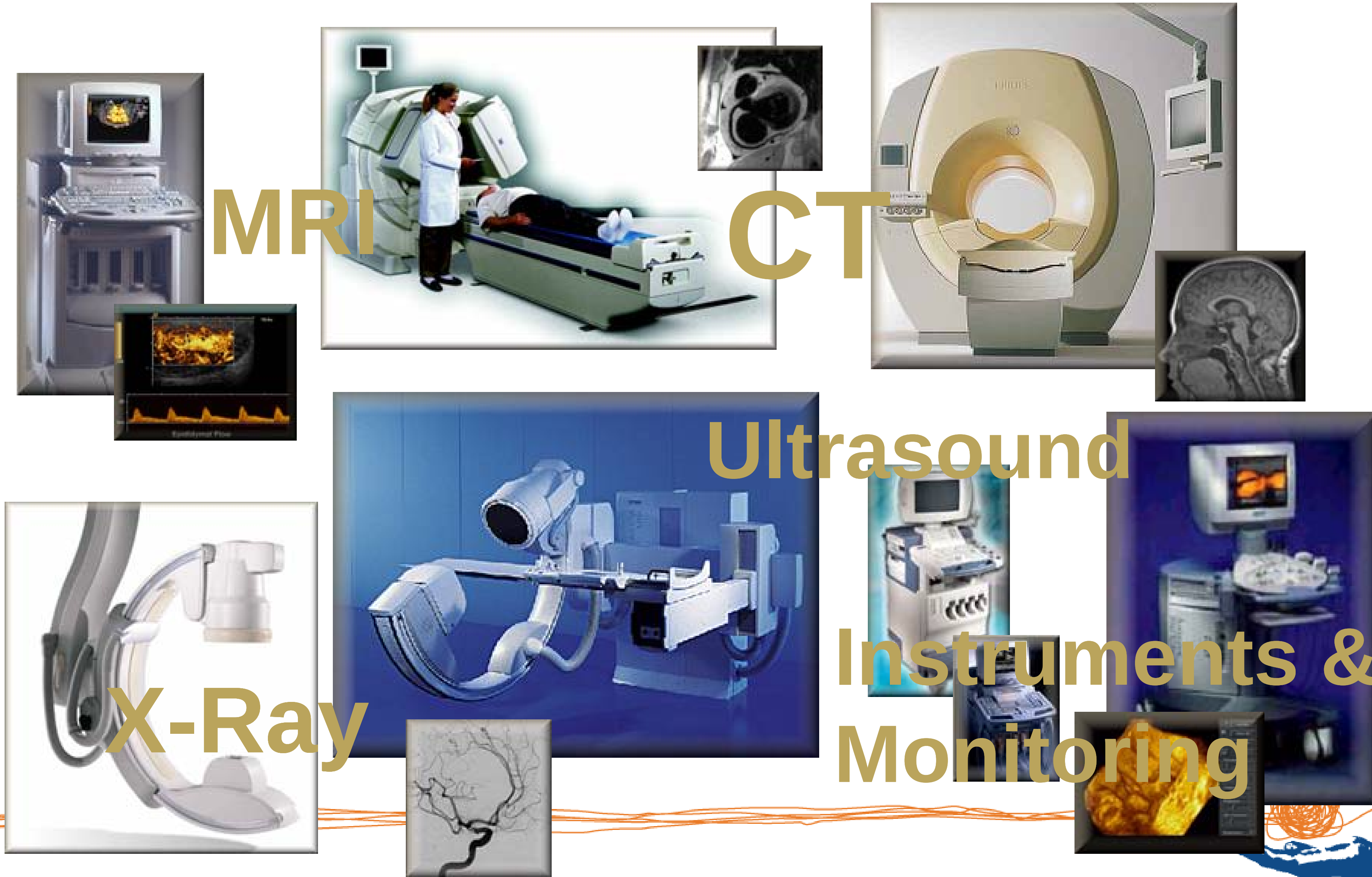
Medical Imaging & Instruments

Industrial Automation

Test & Measurement

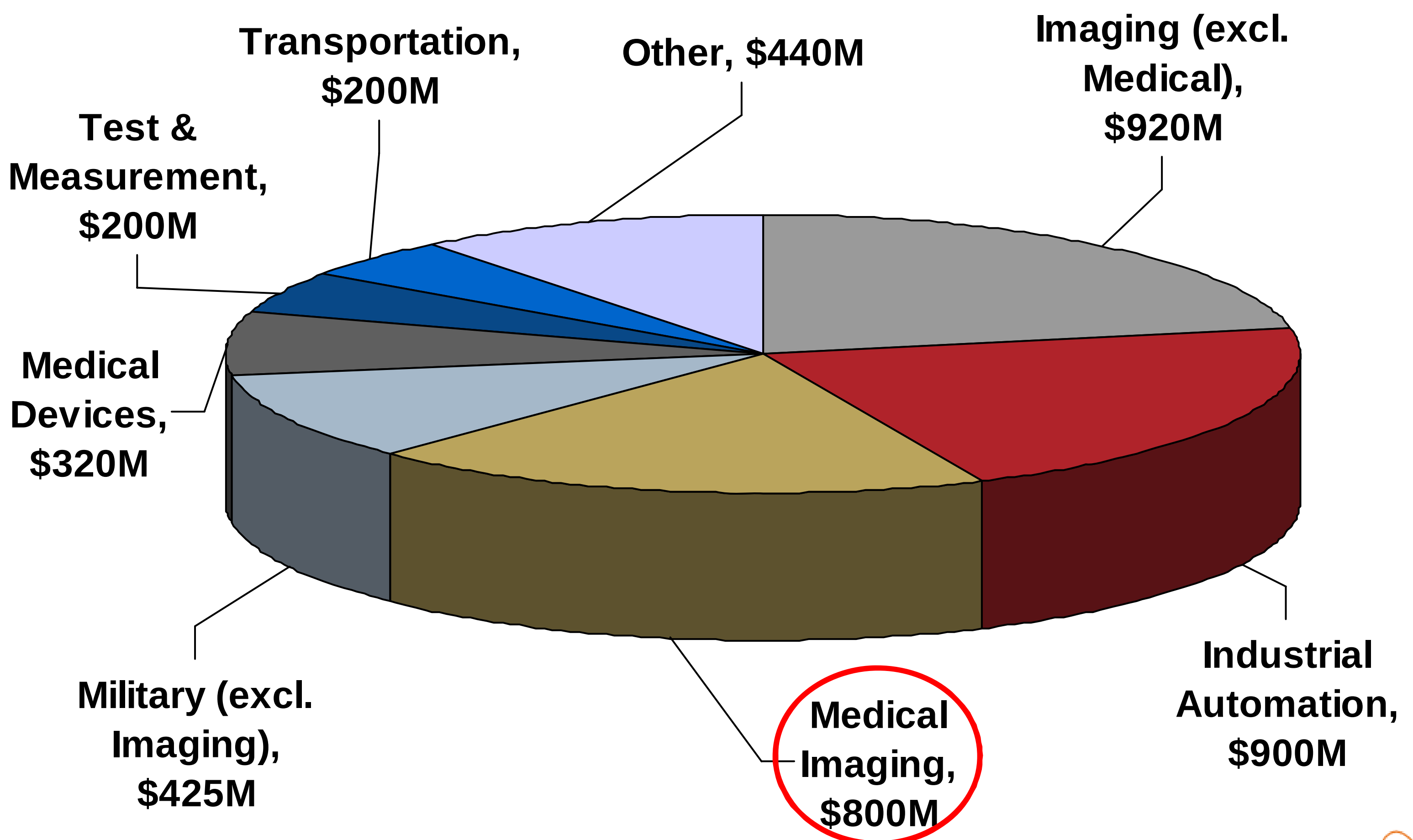
Gaming & Transaction Terminals

Medical Applications



Room To Grow

Commercial Total Addressable Market Size 2010



Estimated from 2006 ETP, VDC, previous RadiSys, Customers

Current Top Customers

Customer	Market Segment	Application
Philips Healthcare	Medical Imaging	CT, X-Ray, MRI, Instruments
Agilent	Test & Measurement	Electronic Test, Network Test
Miltope	Military	Hardened Portable Computer
Siemens Medical	Medical Imaging	Ultrasound
Arrow Electronics	Embedded Markets	Various
Top Tier Healthcare Provider	Medical Imaging	CT, X-Ray, Instruments

How We Beat the Competition

1. Family of Standard Products

- ✓ *Focused on, differentiated for target applications*
- ✓ *Performance leaders, price competitive*
- ✓ *Early to market, immediately available*
- ✓ *COMe, Embedded Servers, MB/SBCs, OS-9*

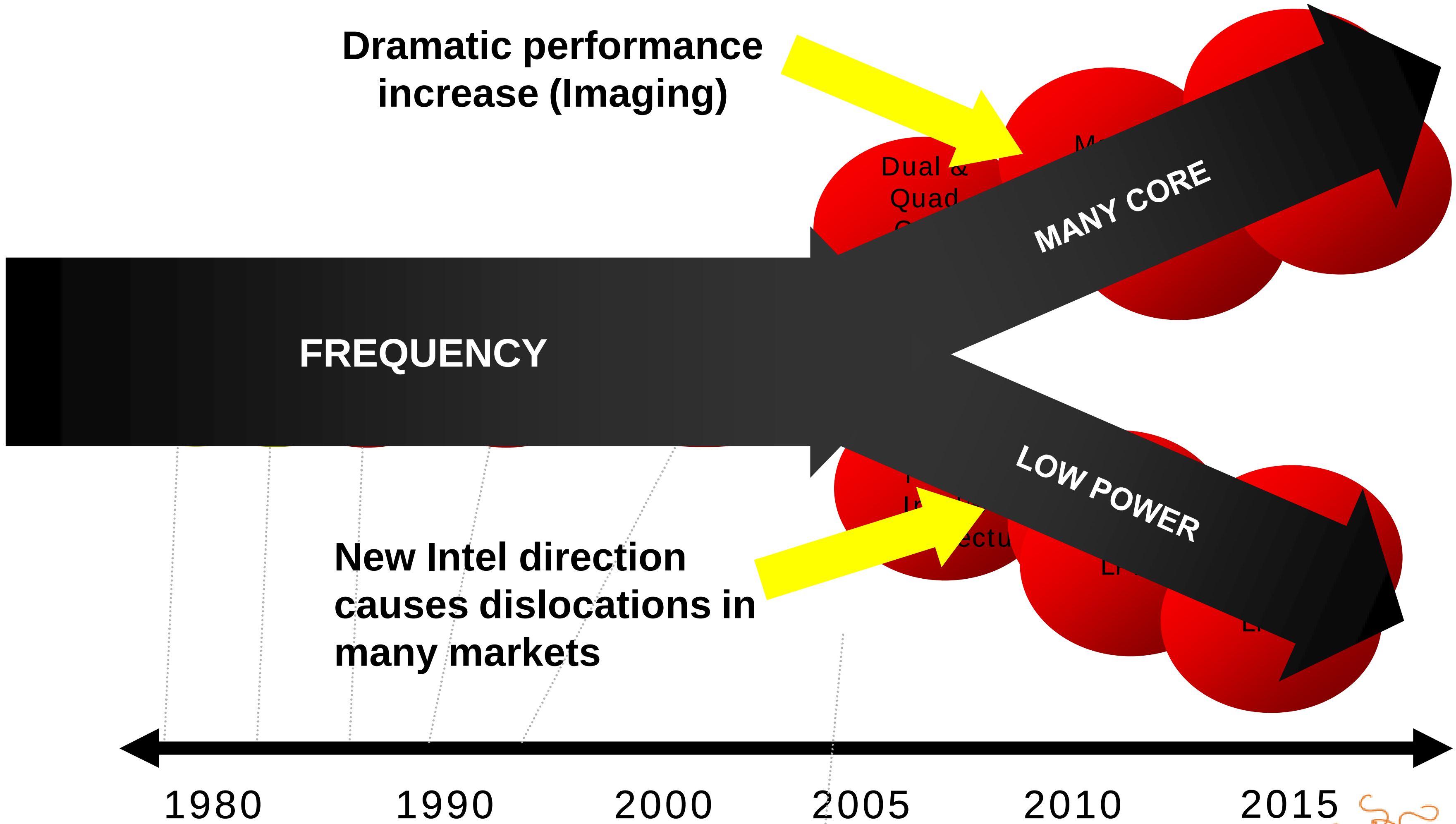
2. Exceptional Customer Intimacy, Knowledge

- ✓ *Application knowledge, focus on target markets*
- ✓ *Customer focused business processes*
- ✓ *Lowest TCO for tuned solutions & products*

3. Build System Value and Create Differentiation

- ✓ *Imaging: customer requested system features, RSYS application & system knowledge*
- ✓ *Vertical solutions – RSYS HW, OS-9, SW stacks for target appl’ns*
- ✓ *Std. product variants for customer, application requirements*

Technology Vectors

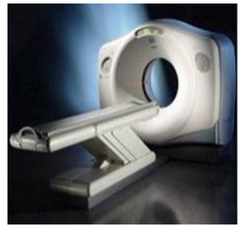


Target Applications

- **Primary Application: Medical Imaging**
  - ✓ *Target customers – Big 4, emerging players*
  - ✓ *All modalities (high growth in ultrasound)*
- **Secondary Applications:**
  1. *<u>Mobile/Low Power, Graphics Compute Platforms</u> - e.g. mobile security, patient monitoring, portable instruments, in-flight entertainment, gaming*
  2. *<u>Control (low power, long life)</u> – T&M mid range instruments, industrial automation, telecom*

Medical Imaging
RadiSys Products in Various Modalities

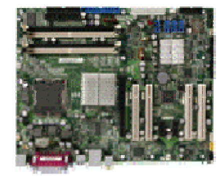
- **“Room-Size”**
  - ✓ *CT, MR, CV X-Ray*
  - ✓ *Maximum performance*
- **Cart Based**
  - ✓ *Ultrasound and X-Ray*
  - ✓ *Emergency & doctor’s office*
- **Portable**
  - ✓ *“Laptop” form factor*
  - ✓ *Battery power*
- **Handheld**
  - ✓ *Emerging low-cost ultrasound*
  - ✓ *Very small and very low power*



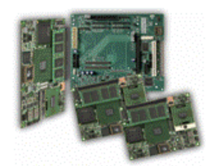


RadiSys Compute Products

Servers & Systems

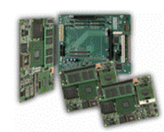


Motherboards & sub-systems



COM-E

OS-9 in real time appl’ns



“Atom”- based COM-E, SBC

Procelerant Embedded Servers

- **Embedded Servers vs. “White-Box”**
  - ✓ *Long-life, shallow depth, low noise.*
  - ✓ *Range of price/performance*

- **Server Value Well Received by Customers**
  - ✓ *Imaging targeted appl’n-specific platform*
  - ✓ *New Intel Architecture: much higher memory bandwidth*
  - ✓ *PCI-Express connectivity for co-processors, graphics*
  - ✓ *Multiple current and under-development products*

- **Increasing Imaging System Value & Differentiation**
  - ✓ *Benchmarking, optimization*
  - ✓ *“Heterogeneous platforms” w/ co-processors*
  - ✓ *More complete systems -*
    - – **Multiple servers, high speed interconnect, storage**
  - ✓ *Small form-factor platform for cart-based systems*
  - ✓ *Enhanced reliability/availability*

Procelerant COM Express

RadiSys leads with NEW Intel GM45 (performance) and Intel® ATOM® (low power, cost)

Strong Market Growth
>31% CAGR
VDC 2007

COM Express Overview

- ✓ *COM Express PICMG std approved - 2005*
- ✓ *Adoption strong in all embedded markets*
- ✓ *Top appl'n: mobile graphics*

COM Express Solutions by RadiSys

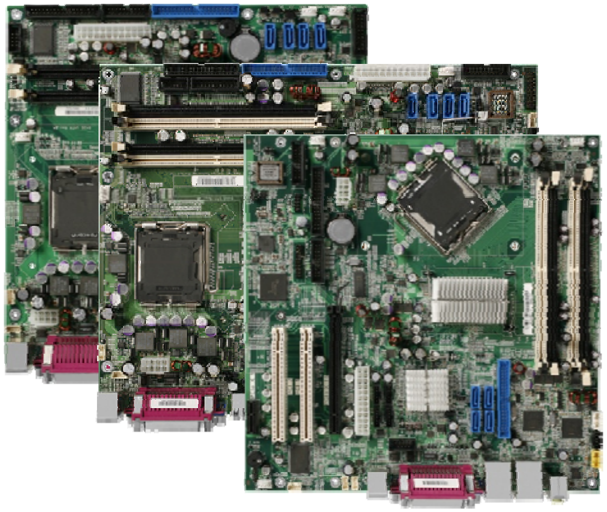
- ✓ *COM Express: std product w/ 'stickiness"*
- ✓ *Differentiators: dual channel memory, rugged environmentals, ECC, customizable BIOS, carrier design service*

Significant Customer Benefits

- ✓ *COMe upgrades extend product life*
- ✓ *Customer carrier provides customer application differentiation*
- ✓ *Cost savings: R&D, TTM, manufacturing, repair, EOL*
- ✓ *Small size and feature set unmatched by SBCs*

Procelerant Endura Motherboards, SBCs

Intel Q35 ATX, uATX



First to market in Embedded

- **Differentiated Features for Target Markets - Imaging**
  - ✓ *Dual graphics slots (x16, x4)*
  - ✓ *DVI + S-video interfaces*
  - ✓ *Long life, extended temp*
  - ✓ *Low power, integrated graphics*
- **Differentiated for Other Embedded**
  - ✓ *5 PCI slots, additional serial I/O*
- **Nine Full Product Families**
- **Customize via SKUs, Depop. or Variant**

Market Traction

- **Strong Customer Demand**

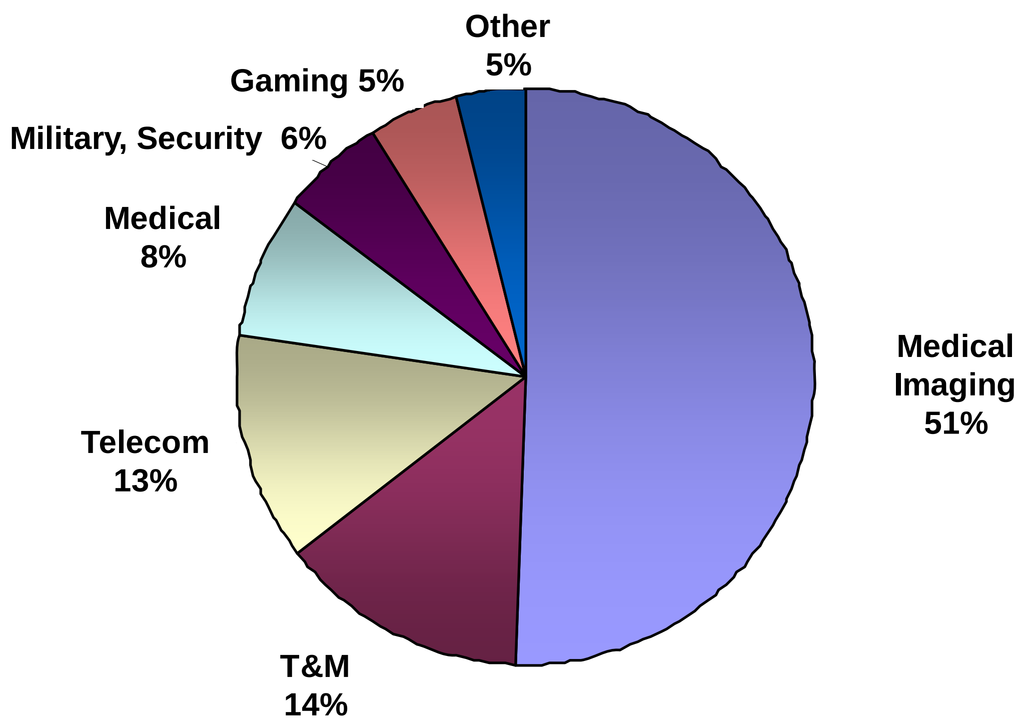
Design Wins:

- >30 new customers

- COMe, Imaging Servers >70%

- **Strong New Product Revenue Ramp**

CBU Design Wins by Application - Last 4 Quarters



Summary

- **Focused Markets, Applications Define Products**
  - ✓ *Medical imaging, mobile compute platforms*
  - ✓ *Broad appeal in embedded markets*
- **Standard Products Focus Provides Customer Access**
  - ✓ *Standard products: COM Express, Motherboards, Embedded Servers, OS-9*
  - ✓ *Variants Drive HW Differentiation*
- **Build System Value in Imaging, Vertical Solutions**
- **Strong Market Acceptance**
  - ✓ *Strong design wins from target markets*
  - ✓ *Revenue ramping*
  - ✓ *New customers, channels*
  - ✓ *Market forces driving increasing opportunities*

Agenda

- **12:00-12:30 Company Update:** ***Scott Grout, CEO***
- **12:30-12:40 Financial Update:** ***Brian Bronson*, CFO**
- **12:40-1:00 Commercial Market:** ***Wade Clowes, VP***
- **1:00-1:10 Media Server Business:** ***David Smith, VP***
- **1:10-1:35 Communications Networks Market:** ***Anthony Ambrose, VP***
- **1:35-1:45 Closing and Q&A:** ***Scott Grout, CEO***

Media Server Product Family

DSP Hardware Media Servers

Convedia CMS-9000 Media Server

Tier 1 Carrier

- Scalable up to 24,000 ports
- Fault-tolerant architecture
- NEBS compliant

Convedia CMS-3000 Media Server

Small Carrier & Large Enterprise

- Entry-level system for smaller carriers, enterprise or lab/development environments

- Low entry-level price/port
- Scalable on variety of Linux-based server platforms

Software Media Servers

Convedia Software Media Server

IBM System x3550

IBM BladeCenter HS-21

RadiSys Promentum ATCA-4300 Processing Module

RadiSys Promentum ATCA-6010

AdvancedTCA®

Carrier & Enterprise

RadiSys Convedia Media Server
4 Consecutive Years of Market Share Leadership
Infonentics and iLocus

Media Server Market Segments

Market Segments:

1. Audio Conferencing Solutions
2. Network Voice Services

Core Business

3. Enterprise Voice Services
4. Call Centre Solutions
5. Unified Communication Solutions
6. Video Services

Growth Opportunities

Media Server Applications

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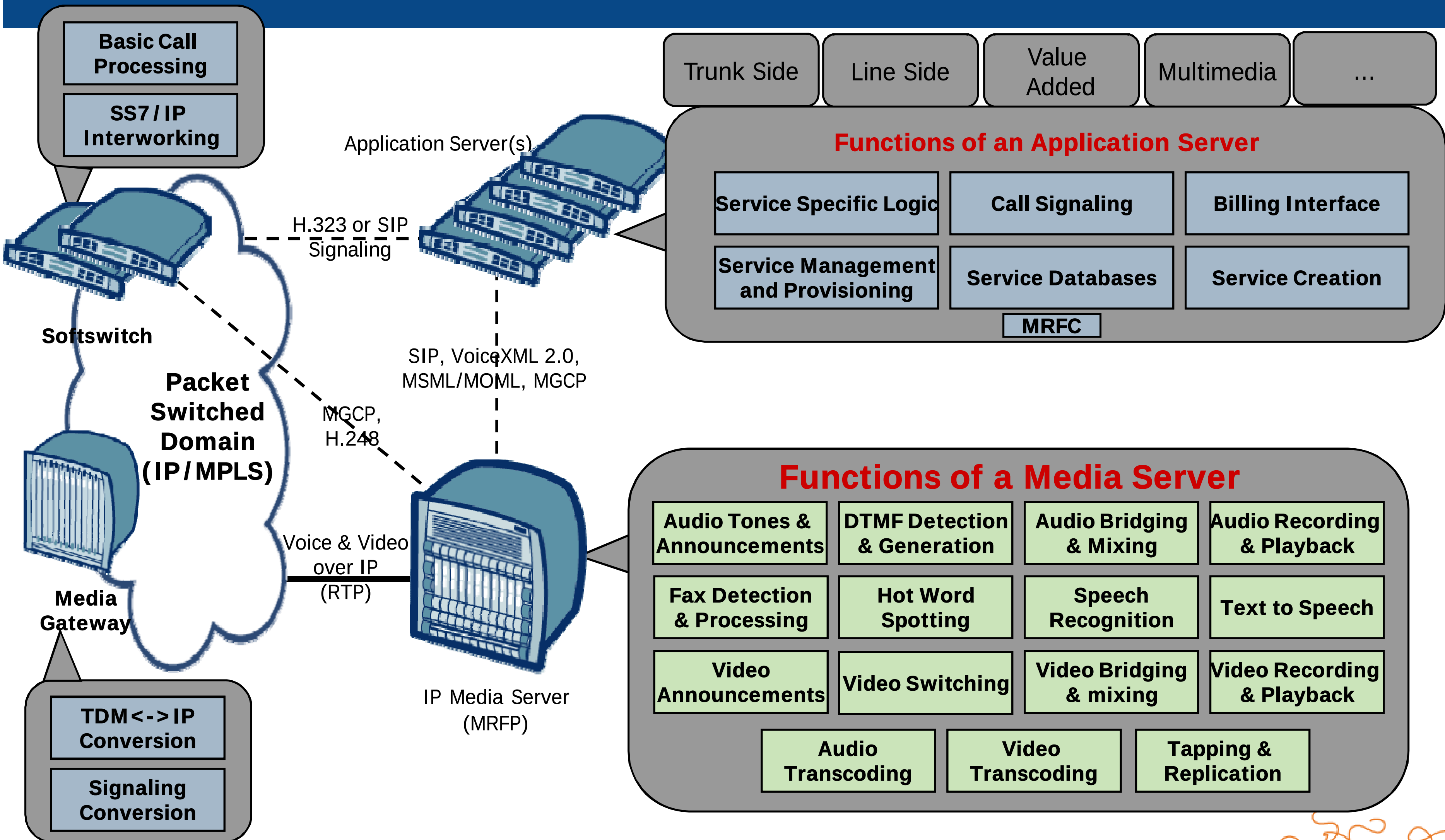
Functions of a Media Server



Convedia CMS-3000 Media Server

Convedia CMS-9000 Media Server

Convedia Software Media Server

Thank You!

David Smith

GM – Media Server Business Unit

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Growth in Telecom

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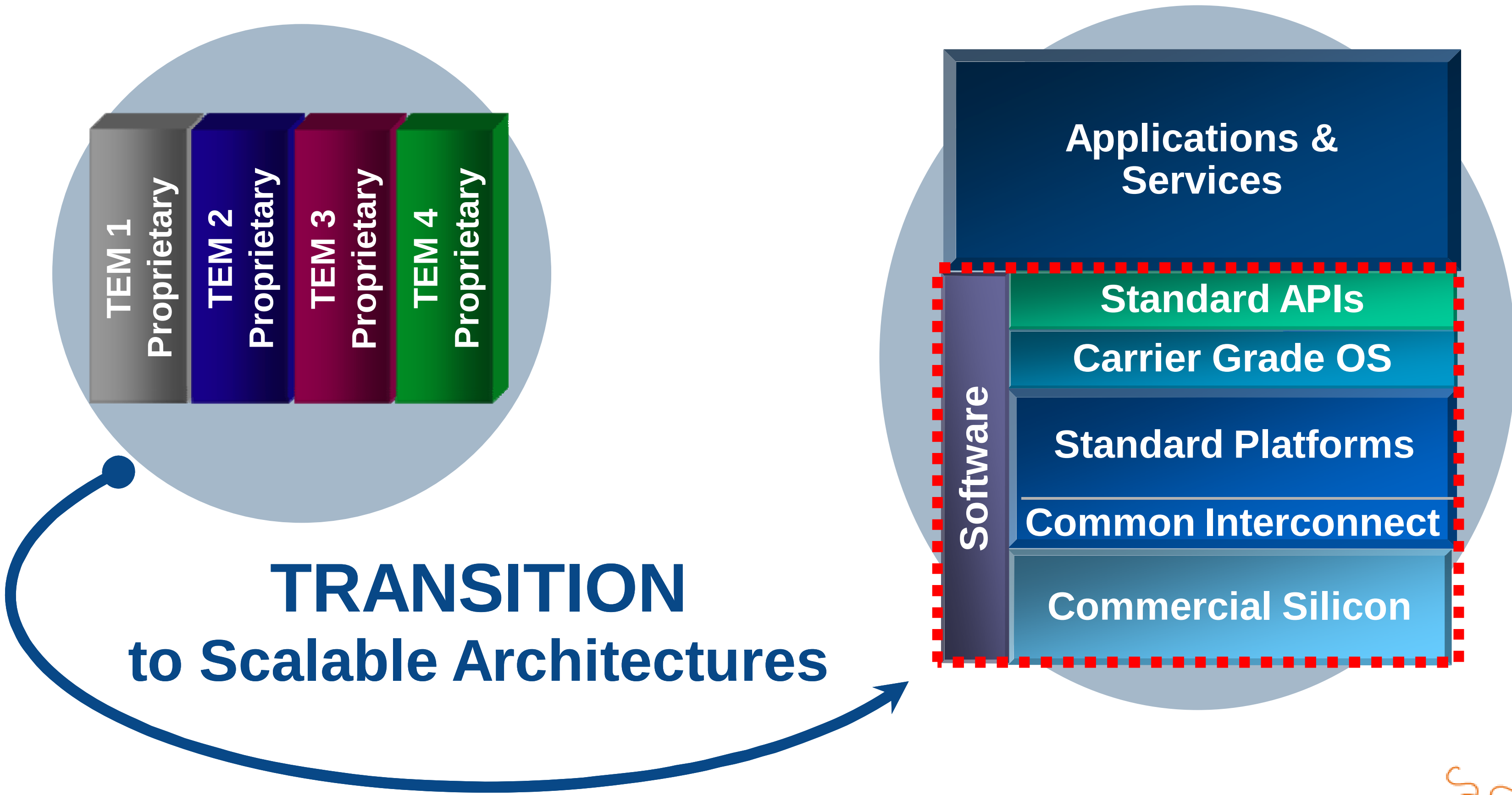
	Revenue Today	Revenue Growth	Margin Growth
Existing Custom Products	✓ ✓		
ATCA Boards and Systems	✓	✓	✓
Media Server Systems and SW	✓	✓	✓ ✓

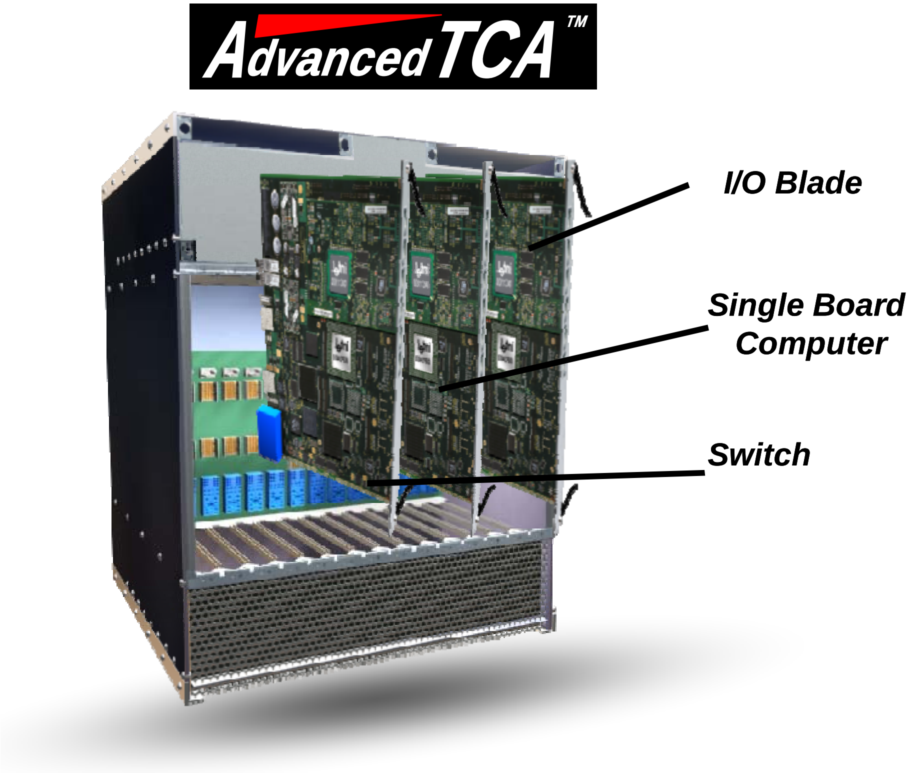
Three Pillars of Success for Telecom

Telecommunications is Changing

Vertical and Proprietary → Horizontal and Open



Standard ATCA Platform

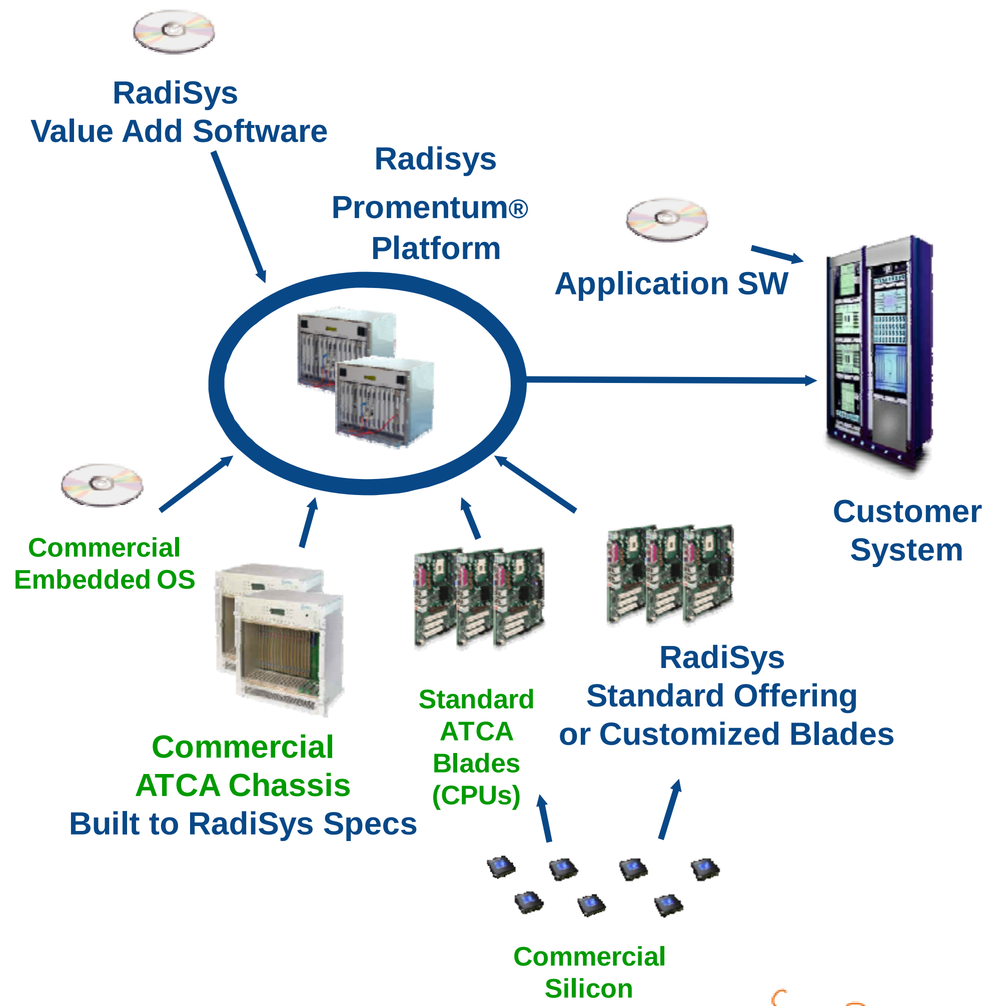


- Bladed modular platform supporting the key telecom technologies of the next decade
- Standards based, open architecture
- Lower cost, reusable hardware and software
- Upgradeability, ease of maintenance
- Broad ecosystem of solutions providers

Slide information from:http://www.picmg.org/v2internal/newinitiative.htm

RadiSys ATCA Product Strategy

- Develop integrated, common AdvancedTCA* platforms for multiple applications
- Develop key value added building blocks in x86, packet, media processing and chassis management
- Integrate hardware platform, OS and SAF* compliant modular middleware solutions
- Optimize Platforms for Telecom and adjacent market segments



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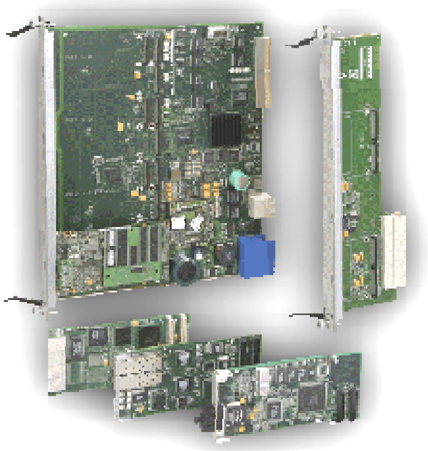
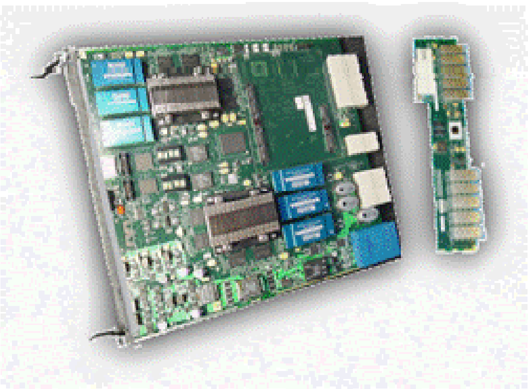
** Other trademarks are the property of their owners*

RadiSys ATCA

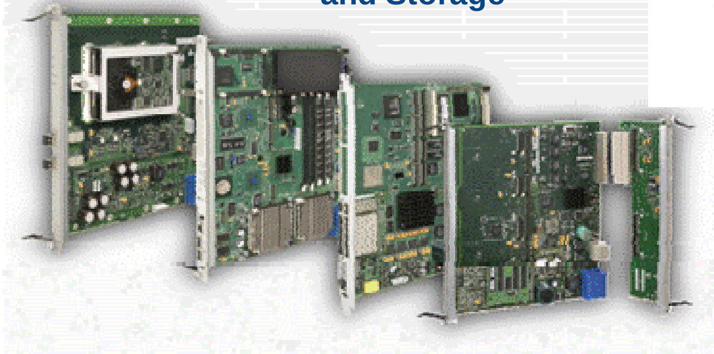
Modular Architecture – AMC, PMC, COM E



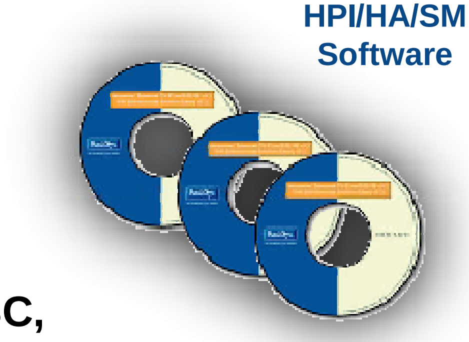
NPU based Line Cards



Processing, Switching and Storage



HPI/HA/SM Software



B-RAS, RNC/BSC, Media Gateway, Softswitch, CSCF, IPTV, Security, Application Servers, …

ATCA Industry Adoption

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Standards Investment
Platform definition

OSDL

SERVICE AVAILABILITY FORUM

PCI INDUSTRIAL COMPUTERS PICMG

AdvancedTCA®

Lead customer adoption
Ecosystem evolution
1Gigabit deployments

- Japan 3G SGSN/RNC
- Europe 3G Wireless
- China IPTV
- USA Test/Measureme[illegible]
- N[illegible] American IMS

Deployments Scaling
Move to 10Gigabit Capability

3G Wireless Infrastructure

IPTV Infrastructure

Services Platforms

IMS Infrastructure

ATCA Applications

Application	CPU	Switch	NPU	DSP	AMC
Telco Server	✓	✓	For Encryption		Signaling and I/O
Media Server	✓	✓	For Encryption	✓	Encryption and I/O
SGSN	✓	✓	For Encryption		Encryption and I/O
RNC/BSC	✓	✓	✓	For Protocol	I/O
GGSN	✓	✓	For QoS		QoS and I/O
Media Gateway	✓	✓	For Encryption	✓	Encryption and I/O
Security	✓	✓	✓		Encryption and I/O
WIMAX ASN Gateway	✓	✓	✓		PP and I/O
IPTV Switch Router	✓	✓	✓		I/O
Network Probes	✓	✓	✓		I/O

ATCA Deployment Update

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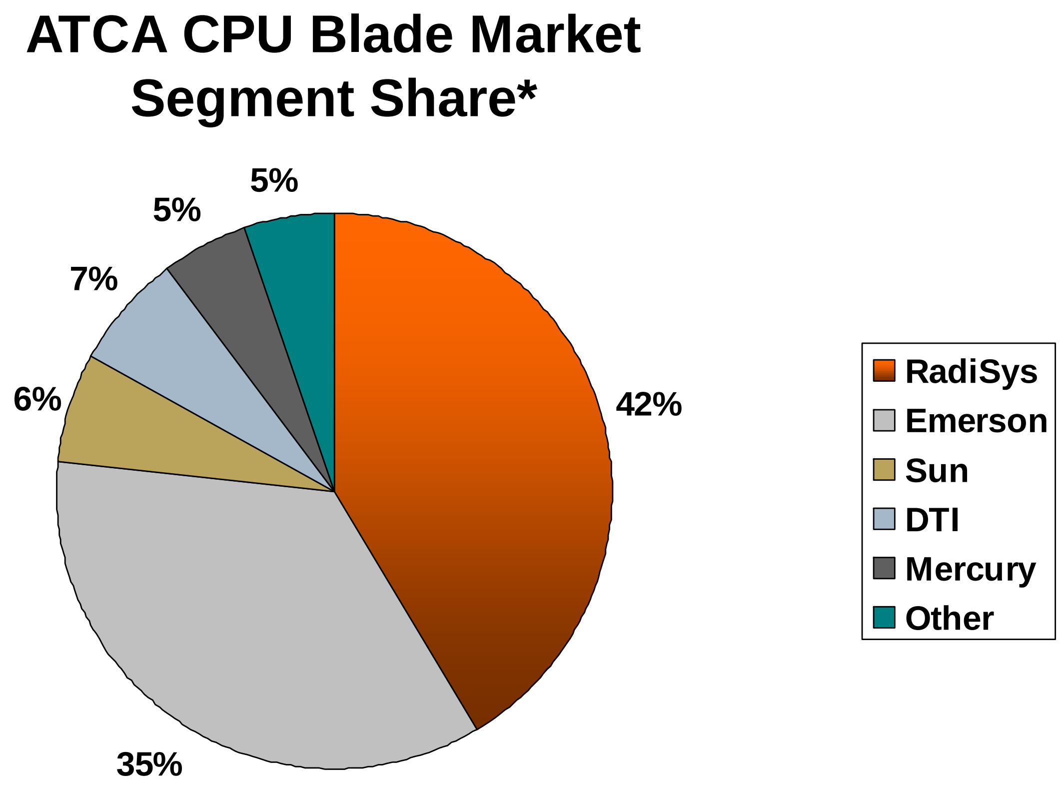
- **Good ATCA Deployment Progress**
  - ✓ *New customer <u>installed 10-G ATCA platform</u> into live network for new wireless application in Asia*
  - ✓ *Telecom customer <u>announced contracts</u> for ALL-IP voice core platforms that include RadiSys ATCA*
  - ✓ *New customer in Asia <u>announced a carrier-grade communication server</u> for IMS & NGN that uses RadiSys ATCA (server offers the industry's highest scalability for subscriber capacity)*
  - ✓ *New Tier 1 customer <u>completed development</u> & in test for wireless networking product using RadiSys ATCA platform*
  - ✓ *RadiSys ATCA <u>products were deployed</u> by a new China customer to support the "Web Live TV" service for the 2008 Olympic Games in Beijing*
  - ✓ *Good funnel of future opportunities*
- **$90M+* of revenue expected in 2008 from Next-Generation Communication products (ATCA & Media Server)**
- **Intel Modular Communication Platforms Division (MCPD) integration completed & accretive to cash flow starting in Q108**
- **#1 Market Share Position in ATCA CPU Blades**
- **Industry Adoption Strong: 9 of top 10 TEMs developing with ATCA**

As of July 29, 2008

RadiSys ATCA Adoption



- **Over 35 ATCA awards across an array of applications****
- **Significant experience working with a multitude of customers on ATCA**

Source: Ranking based on vendor profiles in VDC MCBREA 2008 report. Includes x86, packet processing, media processing

*****As of July 29,2008***

Telecom Summary

- **Growth Opportunities and Solid Execution across '3 Pillars' of Telecom**
- **Good adoption of ATCA industry wide**
  - ✓ *MCPD acquisition accelerated ATCA revenue and design wins.*
  - ✓ *Strong deal flow and design pipeline*
- **Strong Growth in Media Servers**
- **Support of existing long life platforms continues**
- **#1 worldwide position in IP media server and ATCA**

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*****Questions – please wait for microphone*****

Progress on Strategic Themes

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Platform-based Product Focus

- ✓ *~80% of new product investment is in multi-use standard product platforms*
- ✓ *Generate more revenue by developing products for multiple customers and applications*
- ✓ *Greater value and differentiation through more compelling and complete products*
- ✓ *Large and growing market for modular platform based solutions*
- ✓ *ASP of integrated platforms are $20-30K vs ASP of $2-4K for board solutions*

Good Early Market Traction

- ✓ *Strong design win traction, with over 90 new customers*
- ✓ *$90M+* of revenue in 2008 expected from Next-Generation Communication products (ATCA & Media Server)*
- ✓ *Applications including 3G wireless infrastructure, VoIP, softswitch platforms, network security, wireless gateways, billing, messaging, video encoders, IPTV, medical imaging, and XML routing servers*
- ✓ *Over 40% of ATCA design wins are higher value system-level solutions*
- ✓ *75% of design wins are standards-based products*

R&D Investment and Team

- ✓ *Investing in innovation and superior products*
- ✓ *Investing to get new products to market early*

As of July 29, 2008