



NEWS RELEASE

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RADISYS UPDATES FOURTH QUARTER GUIDANCE AND ANNOUNCES AUTHORIZATION OF STOCK REPURCHASE PROGRAM

HILLSBORO, OR — December 16, 2010— RadiSys[®] Corporation (NASDAQ: RSYS), a leading provider of innovative hardware and software platforms for next generation IP-based wireless, wireline and video networks, today announced that it anticipates its revenue and earnings for the fourth quarter ending December 31, 2010 to be lower than its previously stated guidance. Fourth quarter revenue is now expected to be between \$62 and \$64 million, down from the previous guidance of \$68 to \$72 million. The Company expects a GAAP fourth quarter net loss of between \$0.15 and \$0.20 per share, down from the prior guidance of breakeven to net income of \$0.05 per diluted share. Non-GAAP fourth quarter results are expected to be between net income of \$0.01 per diluted share and a net loss of \$0.02 per share, down from the prior guidance of net income of \$0.12 to \$0.17 per diluted share. GAAP expectations per share assume an effective tax rate of 10% and non-GAAP expectations per share assume an effective tax rate of 40%. In addition, the fourth quarter GAAP projected results include an estimated restructuring charge of \$1.7 million that was not included in the previous guidance, for employee-related expenses associated with ongoing reductions to simplify the Company's operational infrastructure and to reduce the legacy business cost structure.

Commenting on the revised guidance, Scott Grout, RadiSys President and CEO stated, "While much of our business is performing well relative to our original fourth quarter guidance, we recently received news that our projected fourth quarter revenue with a large North America media server end customer is expected to be significantly lower. Specifically, our end customer reprioritized their capital expenditures in the quarter and removed a planned set of media server feature enhancements from their fourth quarter deployment programs. We have a long term deployment history with this end customer and expect that both feature and capacity upgrades will continue to be a key part of their plans going into 2011 and beyond. We have had a strong track record of meeting our quarterly guidance, so while I'm very disappointed with lowering guidance for the quarter, we believe that our longer-term growth prospects for this particular customer program and our next generation communications business remain very good."

The Company also announced today that its Board of Directors has authorized a share repurchase program under which the Company may repurchase up to \$20 million of its common stock at the discretion of management. Shares may be purchased from time to time at prevailing market prices, in the open market or through privately negotiated transactions, subject to market conditions and as permitted by securities laws and other legal requirements. Under

the program, the purchases will be funded from available working capital, and any repurchased shares will be returned to authorized but unissued status. The duration of the repurchase program is two years, although it may be extended, suspended or discontinued without prior notice.

Conference Call and Web-cast Information

RadiSys will host a conference call on Thursday, December 16, 2010 at 5:00 p.m. ET to discuss the revised outlook for the fourth quarter of 2010.

To participate in the live conference call, dial (888) 333-0027 in the U.S. and Canada or (706) 634-4990 for all other countries and reference conference ID#31716176. The live conference call will also be available via webcast on the RadiSys investor relations website at <http://investor.radisys.com/>.

A replay of the conference call will be available two hours after the call is complete until 11:59 p.m. ET on December 30, 2010. To access the replay, dial (800) 642-1687 in the U.S. and Canada or (706) 645-9291 for all other countries with conference ID#31716176. A replay of the webcast will be available for an extended period of time on the RadiSys investor relations website at <http://investor.radisys.com/>.

Forward-Looking Statements

This press release contains forward-looking statements, including statements about the Company's business strategy, outlook guidance and expectations for the fourth quarter of 2010. Actual results could differ materially from the outlook, guidance and expectations in these forward-looking statements as a result of a number of risk factors, including, among others, (a) the Company's dependence on certain customers and high degree of customer concentration, (b) the anticipated amount and timing of revenues from design wins due to the Company's customers' product development time, cancellations or delays, (c) the ongoing economic uncertainty and turmoil within the global financial markets, and (d) currency exchange rate fluctuations, changes in tariff and trade policies and other risks associated with foreign operations and (e) other factors listed in RadiSys' reports filed with the Securities and Exchange Commission (SEC), including those listed under "Risk Factors" in RadiSys' Annual Report on Form 10-K for the year ended December 31, 2009, as updated subsequent quarterly reports on Form 10-Q and other filings with the SEC, copies of which may be obtained by contacting the Company at 503-615-1100 or from the Company's investor relations web site at <http://investor.radisys.com/>. Although forward-looking statements help provide additional information about RadiSys, investors should keep in mind that forward-looking statements are inherently less reliable than historical information. All information in this press release is as of December 16, 2010. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Non-GAAP Financial Measures

To supplement its consolidated financial statements in accordance with generally accepted accounting principles (GAAP), the Company's earnings release contains non-GAAP financial measures that exclude certain expenses, gains and losses, such as the effects of (a) amortization of acquired intangible assets, (b) stock-based compensation expense recognized as a result of the Company's adoption of FAS 123R (now codified at FASB ASC Topic 718), (c) restructuring charges (reversals), (d) a deferred tax asset valuation charge, (e) a Canadian deferred tax foreign exchange benefit, (f) tax contingency adjustments, and (g) income taxes. The Company believes that the use of non-GAAP financial measures provides useful information to investors to gain an overall understanding of its current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by excluding certain expenses, gains and losses that the Company believes are not indicative of its core operating results. In addition, non-GAAP financial measures are used by management for budgeting and forecasting as well as subsequently measuring the Company's performance, and the Company believes that it is providing investors with financial measures that most closely align to its internal measurement processes. These non-GAAP measures are considered to be reflective of the Company's core operating results as they more closely reflect the essential revenue-generating activities of the Company and direct operating expenses (resulting in cash expenditures) needed to perform these revenue-generating activities. The Company also believes, based on feedback provided to the Company during its earnings calls' Q&A sessions and discussions with the investment community, that the non-GAAP financial measures it provides are necessary to allow the investment community to construct their valuation models to better align its results and projections with its

competitors and market sector, as there is significant variability and unpredictability across companies with respect to certain expenses, gains and losses.

The non-GAAP financial information is presented using consistent methodology from quarter-to-quarter and year-to-year. These measures should be considered in addition to results prepared in accordance with GAAP. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate the Company's results of operations in conjunction with the corresponding GAAP financial measures.

A reconciliation of non-GAAP information to GAAP information is included in the tables below. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for or superior to financial measures calculated in accordance with GAAP, and reconciliations between GAAP and non-GAAP financial measures included in this earnings release should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

About RadiSys

RadiSys (NASDAQ: RSYS) is a leading provider of innovative hardware and software platforms for next generation IP-based wireless, wireline and video networks. RadiSys products include its market leading ATCA and IP Media Server platforms as well as application software for new IP-based communications services. These products enable customers to bring more new high-value applications and services to market faster with a lower investment. RadiSys products are used in a wide variety of applications including 3G/4G/LTE wireless voice, data and video, Femtocell, VoIP and Video over IP communications and conferencing, Voice Quality Enhancement (VQE), and secure defense communications. For more information, visit <http://www.radisys.com>, write to info@radisys.com, or call 800-950-0044 or 503-615-1100. Editors seeking more information may contact Lyn Pangares at RadiSys Corporation at 503-615-1220 or lyn.pangares@radisys.com.

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**RECONCILIATION OF GAAP TO NON-GAAP GUIDANCE
NET INCOME PER SHARE**

(In millions, except per share amounts, unaudited)

	Three Months Ended December 31, 2010	
	Low End	High End
GAAP net income (assumes tax rate of 10%)	<u>(\$4.8)</u>	<u>(\$3.7)</u>
Stock-based compensation	1.5	1.5
Amortization of acquired intangible assets	1.4	1.4
Restructuring charge	1.7	1.7
Income tax effect of reconciling items	(0.3)	(0.6)
Total adjustments	<u>\$4.3</u>	<u>\$4.0</u>
Non-GAAP net income (assumes tax rate of 40%)	<u>(\$0.5)</u>	<u>\$0.3</u>
GAAP weighted average shares (diluted)	24,300	24,300
Non-GAAP adjustment	-	500
Non-GAAP weighted average shares (diluted)	<u>24,300</u>	<u>24,800</u>
GAAP net income per share (diluted)	(\$0.20)	(\$0.15)
Non-GAAP adjustments detailed above	0.18	0.16
Non-GAAP net income per share (diluted)	<u>(\$0.02)</u>	<u>\$0.01</u>