

RADISYS ANNOUNCES AGREEMENT TO ACQUIRE CONVEDIA

RadiSys Corporation (Nasdaq: RSYS), a leading global provider of advanced embedded systems, announced on July 27th that it had entered into a definitive agreement to acquire IMS Forum member Convedia Corporation, the global leader in IP media processing technologies and IP Media Server products.

The deal is valued at \$105 million in cash plus an earnout of up to \$10 million if Convedia achieves certain profitability goals over the next year and is expected to close in September. Following the transaction, Convedia will become a wholly-owned subsidiary of RadiSys. The acquisition of Convedia will benefit both companies' customers by making available a broader set of technologies and solutions delivered by an expanded team with greater scale and breadth to fully support customers' product realization initiatives. It will expand global reach and ability to service and support customer needs on a worldwide basis. The combination will facilitate RadiSys' penetration of the high growth VoIP equipment and IMS infrastructure markets as well as accelerate RadiSys' strategy to provide turnkey networking platforms. Convedia has deployed their products with more than 200 customers around the globe, including 25 of the top 50 global telecommunication service providers, and many Fortune 500 and enterprise customers. Convedia's full family of media servers will continue to be developed and enhanced under the RadiSys corporate brand. In addition, the two companies will leverage Convedia's eXMP (eXtended Media Processing™), software technology to operate on RadiSys' market leading ATCA platforms to further expand the market opportunities of the combined entity.

"We are very excited about bringing the highly talented Convedia team into RadiSys. In addition to meaningfully expanding our platform capabilities, Convedia complements our product portfolio, our technology and our strategic direction extremely well," said Scott Grout, RadiSys President and CEO.

"We believe that IMS/VoIP is an important and growing market and that Convedia's market leading products and strong customer relationships, together with RadiSys' ATCA leadership, creates a broader and more compelling portfolio of solutions for our customers across a larger addressable market."

"This is the proverbial win-win for both companies and their customers," said Peter Briscoe, President and CEO of Convedia. "Convedia accelerates its business plans through access to a top quality, global sales force and world class expertise in ATCA. RadiSys enhances its networking platform products by adding market leading IP media processing products and technologies as well as Convedia's powerful channels and market strength in Asia-Pacific."