

SGI Proforma Income Statement

(Dollars in millions)

	Predecessor Company			Successor Company			Successor Company			Successor Company			YTD GAAP FY07 YTD	Other Adjust	YTD Pro Forma FY07 YTD
	GAAP 1Q07	Other Adjust	Pro Forma 1Q07	GAAP 2Q07	Other Adjust	Pro Forma 2Q07	GAAP 3Q07	Other Adjust	Pro Forma 3Q07	GAAP 4Q07	Other Adjust	Pro Forma 4Q07			
Product and Other Revenue	60.6		60.6	63.7		63.7	58.6		58.6	74.3		74.3	257.1	-	257.1
Prod Rev: Adj for change in accounting to 97-2		3.3	3.3		8.8	8.8		8.2	8.2		11.7	11.7	-	32.0	32.0
Fresh Start Valuation Adjustment			-		3.4	3.4		1.1	1.1		0.6	0.6	-	5.1	5.1
Service Revenue	61.2		61.2	44.0		44.0	52.5		52.5	48.0		48.0	205.8	-	205.8
Serv Rev: Adj for change in accounting to 97-2		1.8	1.8		1.7	1.7		2.2	2.2		2.0	2.0	-	7.8	7.8
Fresh Start Valuation Adjustment			-		12.5	12.5		7.2	7.2		4.8	4.8	-	24.5	24.5
Total Revenue	121.8	5.2	127.0	107.7	26.4	134.1	111.0	18.7	129.8	122.3	19.2	141.5	462.9	69.5	532.4
Cost of Product and Other Revenue	42.7		42.7	59.9		59.9	41.3		41.3	61.1		61.1	205.1	-	205.1
Prod Cost: Adj for change in accounting to 97-2		2.1	2.1		5.3	5.3		2.5	2.5		8.0	8.0	-	17.9	17.9
Fresh Start - Valuation Adjustment			-		1.6	1.6		0.6	0.6		0.1	0.1	-	2.2	2.2
Fresh Start - Amortization of Intangibles			-		(2.0)	(2.0)		(1.7)	(1.7)		(1.7)	(1.7)	-	(5.4)	(5.4)
Fresh Start - Inventory Valuation Amortization			-		(12.6)	(12.6)		(4.3)	(4.3)		(5.2)	(5.2)	-	(22.1)	(22.1)
Fresh Start - PP&E Depreciation Adjustment			-		0.1	0.1		0.1	0.1		0.1	0.1	-	0.3	0.3
Cost of Service Revenue	32.3		32.3	29.4		29.4	33.0		33.0	29.0		29.0	123.7	-	123.7
Service Cost: Adj for change in accounting to 97-2		0.7	0.7		1.0	1.0		1.1	1.1		0.2	0.2	-	3.0	3.0
Service Cost: Adj for Fresh Start Accounting			-		0.3	0.3		0.6	0.6		0.2	0.2	-	1.1	1.1
Fresh Start - PP&E Depreciation Adjustment			-		0.0	0.0		0.0	0.0		(0.0)	(0.0)	-	0.0	0.0
Stock-Based Compensation		0.0	0.0		(0.0)	(0.0)		(0.0)	(0.0)		(0.1)	(0.1)	-	(0.1)	(0.1)
Total Cost of Revenue	75.0	2.8	77.8	89.3	(6.3)	83.0	74.4	(1.2)	73.2	90.1	1.5	91.7	328.8	(3.1)	325.7
Gross Profit	46.8	2.4	49.2	18.4	32.7	51.1	36.7	19.9	56.6	32.1	17.7	49.8	134.1	72.6	206.7
Gross Margin	38.4%	45.6%	38.7%	17.1%	123.7%	38.1%	33.0%	106.3%	43.6%	26.3%	92.1%	35.2%	29.0%	104.5%	38.8%
R&D	16.0	-	16.0	15.0	-	15.0	14.2	-	14.2	14.9	-	14.9	60.0	-	60.0
Fresh Start: In Process R&D Write-Off			-		(0.5)	(0.5)		-	-			-	-	(0.5)	(0.5)
Fresh Start: PP&E Depreciation Adjustment			-		0.2	0.2		0.1	0.1		0.1	0.1	-	0.3	0.3
Stock-Based Compensation		0.0	0.0		(0.1)	(0.1)		(0.2)	(0.2)		(0.3)	(0.3)	-	(0.5)	(0.5)
	16.0	0.0	16.0	15.0	(0.4)	14.6	14.2	(0.1)	14.0	14.9	(0.2)	14.7	60.0	(0.7)	59.3
Selling, General and Administrative	42.4	-	42.4	41.6	-	41.6	42.0	-	42.0	41.7	-	41.7	167.7	-	167.7
Fresh Start - Amortization of Intangibles			-		(2.1)	(2.1)		(2.1)	(2.1)		(2.1)	(2.1)	-	(6.2)	(6.2)
Fresh Start: PP&E Depreciation			-		(0.6)	(0.6)		(0.5)	(0.5)		(0.5)	(0.5)	-	(1.6)	(1.6)
Reorganization			-		-	-		-	-		-	-	-	-	-
Admin: Goodwill impairment			-		-	-		-	-		-	-	-	-	-
Stock-Based Compensation		(0.1)	(0.1)		(0.1)	(0.1)		(0.9)	(0.9)		(0.6)	(0.6)	-	(1.7)	(1.7)
Total SG&A Expense	42.4	(0.1)	42.2	41.6	(2.7)	38.9	42.0	(3.5)	38.5	41.7	(3.2)	38.5	167.7	(9.5)	158.2
Total Operating Expense before Restructuring	58.4	(0.1)	58.2	56.6	(3.1)	53.5	56.2	(3.7)	52.5	56.6	(3.4)	53.2	227.7	(10.3)	217.5
Operating Income (Loss) before Restructuring	(11.5)		(9.1)	(38.2)		(2.4)	(19.5)		4.1	(24.4)		(3.4)	(93.6)		(10.8)
Restructuring	3.9	-	3.9	1.2	-	1.2	0.2	-	0.2	0.2	-	0.2	5.4	-	5.4
Bankruptcy related expenses	-	-	-	1.7	(1.7)	-	0.2	(0.2)	-	0.2	(0.2)	-	2.1	(2.1)	-
Total Operating Expense	62.3	(0.1)	62.2	59.5	(4.8)	54.7	56.6	(3.9)	52.7	56.9	(3.4)	53.4	235.3	(12.4)	222.9
Operating Income (Loss)	(15.5)	2.5	(13.0)	(41.1)	37.5	(3.6)	(19.9)	23.8	3.9	(24.8)	21.0	(3.5)	(101.2)	85.0	(16.2)
Interest Expense & Interest Income	(7.1)		(7.1)	(2.2)	(0.0)	(2.3)	(2.3)		(2.3)	(2.3)		(2.3)	(13.9)	(0.0)	(13.9)
Cost of DIP Financing		3.7	3.7		-	-		-	-		-	-	-	3.7	3.7
Other Income (Expense), Net of Interest Income	10.8		10.8	0.3		0.3	(0.4)	(0.0)	(0.4)	(2.3)		(2.3)	8.3		8.3
Pre-tax gain - Sale of portion of equity investment		(9.8)	(9.8)		-	-		-	-		-	-	-	(9.8)	(9.8)
Reorganization Items	340.4	(340.4)	0.0	-	-	-	-	-	-	-	-	-	340.4	(340.4)	0.0

SGI Proforma Income Statement

(Dollars in millions)

Income (Loss) Before Income Taxes

Provision for (Benefit From) Income Taxes

Tax on sale of equity investment noted above

Net Loss

Depreciation for EBITDA

Adjusted EBITDA (Operating Inc/(Loss) less

Depreciation)

	Predecessor Company			Successor Company			Successor Company			Successor Company			YTD GAAP FY07 YTD	Other Adjust	YTD Pro Forma FY07 YTD
	GAAP 1Q07	Other Adjust	Pro Forma 1Q07	GAAP 2Q07	Other Adjust	Pro Forma 2Q07	GAAP 3Q07	Other Adjust	Pro Forma 3Q07	GAAP 4Q07	Other Adjust	Pro Forma 4Q07			
Income (Loss) Before Income Taxes	328.6	(344.0)	(15.4)	(43.0)	37.5	(5.5)	(22.5)	23.8	1.2	(29.4)	21.0	(8.2)	233.7	(261.5)	(27.8)
Provision for (Benefit From) Income Taxes	2.4		2.4	0.7		0.7	0.5	0.1	0.5	7.5	(4.7)	2.8	11.1	(4.6)	6.4
Tax on sale of equity investment noted above		(1.9)	(1.9)		-	-		-	-					(1.9)	(1.9)
Net Loss	326.3	(342.2)	(15.9)	(43.7)	37.5	(6.2)	(23.0)	23.7	0.7	(36.9)	25.7	(11.0)	222.6	(255.0)	(32.4)
Depreciation for EBITDA	\$ 10.2	\$ (3.7)	\$ 6.5	\$ 11.0	\$ (16.9)	\$ 6.6	\$ 10.4	\$ (4.3)	\$ 6.1	\$ 10.5	\$ (4.4)	\$ 6.2			
Adjusted EBITDA (Operating Inc/(Loss) less Depreciation)			\$ (2.6)			\$ 4.2			\$ 10.2			\$ 2.8			

REVENUE BY SEGMENT (Pro Forma)	GAAP FY06	GAAP FY07	Adjust FY06	Adjust FY07	FY06	1Q07	2Q07	3Q07	4Q07	FY07	B/(W)
Core Systems:											
Server products	124.0	156.5	8.8	19.8	\$ 132.8	\$ 37.2	\$ 46.1	\$ 38.6	\$ 54.3	\$ 176.3	\$ 43.6
Storage products	49.9	50.2	7.0	14.1	56.9	14.3	15.1	14.7	20.2	64.3	7.4
Total Core Systems	173.9	206.7	15.8	33.9	189.7	51.6	61.2	53.4	74.5	240.6	51.0
Legacy Systems:											
Server products	73.8	47.2	13.6	2.6	87.4	11.8	13.3	13.2	11.4	49.8	(37.6)
Storage products	4.5	3.2	0.8	0.6	5.3	0.5	1.4	1.2	0.7	3.8	(1.5)
Total Legacy Systems	78.3	50.4	14.4	3.2	92.7	12.4	14.7	14.5	12.1	53.6	(39.1)
Total Products Revenue	252.3	257.1	30.1	37.1	282.4	63.9	75.9	67.9	86.6	294.3	11.9
	48.6%	55.5%			51.3%	50.3%	56.6%	52.3%	61.2%	55.3%	
Global Services:											
Support Services	214.1	160.3	0.9	24.8	215.0	48.5	47.5	44.2	44.8	185.1	(29.9)
Professional services and solutions	52.5	45.4	1.1	7.6	53.6	14.5	10.7	17.7	10.1	53.0	(0.6)
Total Global Services Revenue	266.6	205.8	2.0	32.4	268.5	63.0	58.3	61.9	54.9	238.1	(30.4)
	51.4%	44.5%			48.7%	49.7%	43.4%	47.7%	38.8%	44.7%	
Total Revenue	\$518.8	\$462.9	\$32.1	\$69.5	\$ 550.9	\$ 127.0	\$ 134.1	\$ 129.8	\$ 141.5	\$ 532.4	\$ (18.6)