

SILICON GRAPHICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts, unaudited)

	Successor Company				Predecessor Company
	Three Months Ended		Year Ended	Nine Months Ended	Three Months Ended
	Jun. 27 2008	Jun. 29, 2007	Jun. 27, 2008	Jun. 29, 2007	Sep. 29, 2006
Product and other revenue	\$ 39,909	\$ 73,008	\$ 150,103	\$ 187,805	\$ 45,229
Product revenue from related party (1)	6,407	1,250	21,154	8,706	15,377
Global services revenue	<u>47,553</u>	<u>48,037</u>	<u>182,886</u>	<u>144,553</u>	<u>61,199</u>
Total revenue	93,869	122,295	354,143	341,064	121,805
Costs and expenses:					
Cost of product and other revenue	32,743	61,114	137,411	162,362	42,710
Cost of global services revenue	31,608	29,034	113,253	91,446	32,265
Research and development (2)	14,308	14,870	58,588	44,040	16,007
Selling, general and administrative	43,179	41,697	171,050	125,320	42,359
Other operating expense, net	<u>603</u>	<u>358</u>	<u>1,028</u>	<u>3,601</u>	<u>3,926</u>
Total costs and expenses	<u>122,441</u>	<u>147,073</u>	<u>481,330</u>	<u>426,769</u>	<u>137,267</u>
Operating loss	(28,572)	(24,778)	(127,187)	(85,705)	(15,462)
Interest expense	(1,691)	(1,340)	(6,312)	(4,532)	(7,688)
Interest expense from related parties	(1,602)	(1,545)	(6,893)	(4,347)	-
Interest and other income (expense), net (3)	<u>(1,154)</u>	<u>(1,728)</u>	<u>(3,511)</u>	<u>(355)</u>	<u>11,391</u>
Loss before reorganization items and income taxes	(33,019)	(29,391)	(143,903)	(94,939)	(11,759)
Reorganization items, net	-	-	-	-	340,397
Income (loss) before income taxes	(33,019)	(29,391)	(143,903)	(94,939)	328,638
Income tax provision	<u>2,134</u>	<u>7,537</u>	<u>9,352</u>	<u>8,703</u>	<u>2,382</u>
Net income (loss)	<u>\$ (35,153)</u>	<u>\$ (36,928)</u>	<u>\$ (153,255)</u>	<u>\$ (103,642)</u>	<u>\$ 326,256</u>
Net income (loss) per share:					
Basic	<u>\$ (3.03)</u>	<u>\$ (3.32)</u>	<u>\$ (13.55)</u>	<u>\$ (9.32)</u>	<u>\$ 1.20</u>
Diluted	<u>\$ (3.03)</u>	<u>\$ (3.32)</u>	<u>\$ (13.55)</u>	<u>\$ (9.32)</u>	<u>\$ 0.77</u>
Weighted-average shares used to compute net income (loss) per share:					
Basic	<u>11,585</u>	<u>11,125</u>	<u>11,307</u>	<u>11,125</u>	<u>271,563</u>
Diluted	<u>11,585</u>	<u>11,125</u>	<u>11,307</u>	<u>11,125</u>	<u>423,875</u>

(1) Represents product sales to SGI Japan, a related party of which we owned a 10% interest at June 27, 2008 and at September 29, 2006.

(2) Fiscal 2008 includes approximately \$2 million of in-process research and development resulting from our acquisition of certain assets formerly owned by Linux Networx, Inc.

(3) Fiscal 2008 includes a gain of approximately \$4 million on the sale of our investment in MicroUnity Systems Engineering, Inc. and a write-down of approximately \$6 million of our equity investment in SGI Japan to the estimated fair value of the investment, which was approximately \$15 million at June 27, 2008. The three-month period ended September 29, 2006 includes a pre-tax gain of approximately \$10 million on the sale of a portion of the Predecessor Company's investment in SGI Japan.