



February 22, 2008

Dear Linux Networx Customer,

As you know Linux Networx ceased its operations this week. SGI has acquired many of the Linux Networx assets and hired its key employees. I'd like to give a little background to you and let you know how we intend to support you during the near-term transition. I'll also take this opportunity to re-introduce you to SGI with the hope of building a long-term relationship.

Linux Networx was a pioneer in Linux-based clusters. Working with you, Linux Networx was able to help create an entirely new class of computing—clustered computing. Clusters now account for some 60% of the HPC market per the latest numbers from IDC. When the Linux Networx investors decided to not continue the business going forward, SGI worked very quickly to put the plan in place that we announced on February 14<sup>th</sup>. We have acquired the assets of Linux Networx and have hired about 35 key Linux Networx employees. We will maintain a facility in Salt Lake City, and most of the customer facing employees will be exactly the same people you have worked with in the past.

With the abrupt way that Linux Networx ceased its operations, they did not communicate with you, so we'll try to fill in some of the blanks as we know them. But, first and foremost, we believe we can help you as former Linux Networx customers in several ways:

- Even though the Linux Networx service contracts were not part of our acquisition, we will work with you to minimize any disruption to your computing environment while we propose to establish SGI service to maintain your Linux Networx systems. We're prepared to offer service for your other installed systems, as well. We are working to integrate the Linux Networx services teams, repair functions and escalation support with their SGI counterparts to build an organization stronger than each of the individual parts. For service requests, please continue to place requests as before by calling 800-459-7138 or online at <http://support.linuxnetworx.com>.
- We know that Linux Networx had a number of proposals to customers and prospects for new system sales. We have retained many of the Linux Networx sales representatives, and we will work with you to look for a near term SGI solution to fulfill your computing needs.
- In the longer term, engineers from Linux Networx will help shape our software management, file systems, visualization and many other areas that will benefit you and the industry.

If you have any questions about how we can transition service to your systems, you can call Dave Sundstrom at 801-649-1203 or email at [dsundstrom@sgi.com](mailto:dsundstrom@sgi.com). For questions about new system procurements you can talk to your former Linux Networx salesperson, or Doug Britt, our Senior Vice President of Sales, at 650-933-2700 or [dougbritt@sgi.com](mailto:dougbritt@sgi.com).

It's also important to take this time to re-introduce SGI to you and outline how we propose to serve you, as we hope you'll become an SGI customer.

Most of you know SGI; we started as Silicon Graphics, Inc. 25 years ago. We led the visualization revolution from the desktop and added servers and storage to our portfolio in the 1990s. The company acquired Cray Research about 10 years ago, and that propelled us further into the High Performance Computing market. Today, we provide three families of products as well software to link them together and a variety of maintenance and professional services. Specifically, we provide:

- Compute systems that range from departmental level to the largest HPC systems in the world (our system at New Mexico Computing Applications Center was just ranked as the number 3 system on the Top 500 list). These systems include our traditional Altix shared memory supercomputers, our Altix XE cluster systems, and our recently introduced Altix ICE systems, a new generation of systems that blends MPP and cluster architectures.
- Visual Supercomputers based on our compute systems and our renowned visualization software to provide high performance visualization systems.
- Storage and Data Management solutions that include direct attached storage, NAS and SAN solutions, and our DMF and CXFS storage management software.
- Software based upon Linux to reduce the complexity and improve the performance of today's environments, and to enable our products to work together more effectively.
- Customer service offerings and professional services that range from consulting to tuning systems to managing complex installations and integration of our and other company's systems.

Our business is growing across all fronts—in the quarter that ended in September, 2007, our orders were up about 45% compared to the previous quarter, and in the December, 2007 quarter bookings were up another 30%. Today we serve about 4,000 customers around the world. We serve a broad set of blue chip government and commercial customers which you will get a flavor of from our website at [www.sgi.com](http://www.sgi.com).

We and others in the industry are very excited about this recent step, and we look forward to working with you. SGI is a strong and growing company. With the help of the Linux Network assets and employees, I believe we at SGI can make you even stronger. Thanks, and welcome to the SGI family.

A handwritten signature in black ink that reads "Bo Ewald". The signature is written in a cursive, flowing style.

Bo Ewald, CEO