

Dear Valued Support Customer:

As you know, we've been working hard to strengthen our company and bring you the high performance computers, visualization, storage and software products and services that you value and have come to expect from Silicon Graphics. Today, we took another step in that direction announcing our intent to merge with Rackable Systems in the next month. Rackable Systems is the leader in built-to-order clusters, traditionally focused on the internet markets, and now moving into HPC segments. Our joint objective is to build an even more powerful company capable of providing a wide range of products from built-to-order clusters to our new UltraViolet x86 shared memory system that is currently in development. We'll surround our HPC systems with combined storage and software products, and expect to continue developing our leading edge VUE visualization software. We further expect to merge our two service organizations and continue to provide the customer and professional services for which you rely upon us. Rackable also has a very strong cash position and we'll significantly reduce the SGI debt load so the resulting company will be in a much stronger long-term, viable position, ensuring our ability to be your trusted partner for your computing needs far into the future.

The way that we'll accomplish the merger will be a little unique, but given today's economic environment, this approach will give us the desired result in the shortest amount of time. We'll put SGI through a "Section 363" process under the U.S. Bankruptcy code that will enable Rackable to acquire the company without assuming the debt. During a relatively short 25 day period, we'll continue to operate as independent companies, and you should expect and receive the same levels of support as before. When the process is complete, we will have a much stronger combined company with great products, people and financial strength.

We want to assure you that during this process we are committed to providing the world-class customer service and support you have come to expect. We have a global organization of over 300 experienced Customer Service professionals supported by distributed service support centers and multi-level back-line support capabilities for those really complex problems. In addition, SGI has sufficient inventory, located strategically throughout the world, to service our install base for many years to come. Finally, we are continuing our policy to support all equipment for at least 5 years after production ends

Our intention is to honor our service contracts now and into the future. We will continue to provide uninterrupted delivery of products and services to our customers. . We have inventory, trained engineers, training programs, documentation, board repair vendors and distribution partners. We also sell spare parts, provide customer training programs and plan to be here for a long time to provide the superior support you have come to expect from us.

If you have any questions or concerns, you may contact me at the number below. For general information about this announcement you may visit [www.sgi.com](http://www.sgi.com).

We look forward to your continued partnership, and I would like to thank you in advance for your support. As such, I am available any time at 408-524-1980 to answer your questions or send a note to me, [dbritt@sgi.com](mailto:dbritt@sgi.com).

Sincerely,

Doug Britt  
SVP, Global Sales and Service  
Silicon Graphics, Inc.