SILICON GRAPHICS AWARDED $40 MILLION DOD CONTRACT

SGI Captures Six of Seven Awards Under HPC Modernization Program with Altix ICE Systems Based on New Intel Nehalem Processors

SUNNYVALE, Calif. (Feb. 24, 2009) — The Department of Defense (DOD) selected Silicon Graphics, Inc. (SGI) (NASDAQ: SGIC), through its wholly owned subsidiary Silicon Graphics Federal, Inc., for six of seven awards as part of the agency's Technology Insertion 2009 (TI-09) High Performance Computing Modernization Program (HPCMP).

The multi-year $40 million agreement engages Silicon Graphics to provide world-class compute and storage solutions, along with options for service and support. The systems will be installed at leading defense research and development sites throughout the United States, including the U.S. Army Research Laboratory (ARL), the U.S. Army Engineer Research and Development Center (ERDC), Air Force Research Laboratory (AFRL), Arnold Engineering Development Center (AEDC), and the Naval Surface Warfare Center (NSWC).

"Silicon Graphics is honored to provide these premier DOD facilities with the high-performance compute, storage and service solutions needed to handle some of the most advanced computing challenges in the world," said Silicon Graphics CEO Robert "Bo" Ewald. "Securing these TI-09 awards required Silicon Graphics to prevail in a competitive evaluation involving numerous major HPC vendors. As we move forward with implementation and long-term support of these solutions, we'll work to ensure that DOD researchers and programs get the most from them."

Silicon Graphics captured the lion's share of 2009 HPCMP program contracts by demonstrating the superior performance of its SGI® Altix® ICE 8200 systems based on the next-generation Intel® Xeon® processors (codenamed Nehalem). Complementing the extreme performance of the Altix ICE platform is a storage solution based on SGI® InfiniteStorage 4600 designed handle the DOD's tremendous I/O requirements efficiently and reliably.

Contributing to the selection of Silicon Graphics were usability factors associated with the Altix ICE systems and Silicon Graphics' long track record of delivering rapidly deployable solutions for the most demanding HPC environments. With a tightly integrated and modular design that simplifies deployment, the SGI Altix ICE platform allows customers to realize a return on their investment sooner than is possible with traditional supercomputer systems. The company also showed it could meet the power and space limitations of certain DOD sites, without sacrificing performance.

"To achieve breakthroughs in designing and testing next-generation materials and weapons systems, DOD researchers require high-performance systems that are scalable and reliable," said Cray Henry, director of the HPCMP for the Department of Defense. "Throughout our evaluation process, Silicon Graphics clearly demonstrated that it more than met these criteria. In addition, the DOD and HPCMP share a long history with Silicon Graphics. These major contracts will extend our partnership for years to come."

Silicon Graphics will equip the **Army Research Laboratory DoD Supercomputing Resource Center (ARL DSRC)** in Aberdeen Proving Ground, Md., and the **Engineer Research and Development Center (ERDC DSRC)** in Vicksburg, Miss., with SGI Altix ICE 8200 systems based on the future Intel® Nehalem processors integrated with SGI® InfinteStorage 4600 systems. Each of these centers provides computational resources to the entire DoD science and technology and test and evaluation communities. All systems are expected to be installed and accepted by Sept. 15, 2009.

Silicon Graphics will also supply solutions under the HPCMP's Dedicated High Performance Computing (HPC) Project Investments (DHPI) which provides DoD sites with mid-sized systems for mission-critical projects with unique requirements that cannot be performed at a DSRC. These include:

- **Air Force Research Laboratory (AFRL)** at **Wright-Patterson Air Force Base** in Ohio
- **Arnold Engineering Development Center (AEDC)** at **Arnold Air Force Base** in Tennessee
- **Naval Surface Warfare Center (NSWC)** in Bethesda, Md.

AFRL and AEDC will leverage SGI Altix ICE 8200 technologies while NSWC will rely on SGI Altix 4700 and SGI® InfiniteStorage 200 solutions.

As the engine driving the DOD's new SGI Altix ICE systems, the Intel Nehalem processor is designed to deliver unprecedented performance and dynamic scalability.

"Driven by the energy-efficient performance of Intel's Xeon and Itanium processor families, SGI's computers provide DOD engineers ideal HPC systems for creating, simulating, visualizing and analyzing applications," said Richard Dracott, Intel general manager of High Performance Computing.

About HPCMP

The HPCMP was initiated in 1992 in response to congressional direction to modernize the DOD laboratories' HPC capabilities. The HPCMP was assembled out of a collection of small high performance computing departments, each with a rich history of supercomputing experience that had independently evolved within the Army, Air Force, and Navy laboratories and test centers. The HPCMP provides the supercomputer services, high-speed network communications, and computational science expertise that enables the Defense laboratories and test centers to conduct a wide range of focused research, development, and test activities. This partnership puts advanced technology in the hands of U.S. forces more quickly, less expensively, and with a greater certainty of success.

Silicon Graphics, Inc.

Silicon Graphics, Inc. (SGI) (NASDAQ: SGIC), is a leader in high-performance computing. SGI delivers a complete range of high-performance server and storage solutions along with industry-leading professional services and support that enable its customers to overcome the challenges of complex data-intensive workflows and accelerate breakthrough discoveries, innovation and information transformation. SGI solutions help customers solve their computing challenges whether it's enhancing the quality of life through drug research, designing and manufacturing safer and more efficient cars and airplanes, studying global climate, providing technologies for homeland security and defense, or helping enterprises manage large data. With offices worldwide, the company is headquartered in Sunnyvale, California, and can be found on the Web at www.sgi.com.

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