SGI announces key sales wins for fourth quarter

In its recently completed fourth quarter for fiscal year 2003, Silicon Graphics, Inc. (NYSE: SGI) posted several key sales wins, saw the SGI Altix 3000 family of servers and superclusters take the Linux world by storm and watched its government and defense business continue to grow to 40% of its total business. Just six months after the SGI Altix 3000 family won Best of Show honors at LinuxWorld in New York, it was named Product of the Year by the editors of Linux Journal and won Best Linux Hardware honors at the LinuxUser and Developer Expo. The SGI Altix 3000 family of servers and superclusters combines SGI supercomputing architecture with Intel Itanium2 processors and the Linux operating system. SGI Altix 3000 is recognized as the first Linux cluster that scales up to 64 processors within each node and the first cluster to allow global shared-memory access across nodes. Sales of the SGI Altix 3000 family continue to gain momentum and among this quarters wins were following: Netherlands Organisation for Scientific Research (NWO) will upgrade its current SGI Origin 3000 infrastructure with an additional SGI Altix 3000 system powered by 416 Intel Itanium 2 processors and 832GB of memory. The system will be installed at SARA Computing and Networking Services (the Dutch National HPC and Networking Center. NWO and the Netherlands Computing Facilities Foundation, which are responsible for the selection, acquisition and use of the Netherlands national supercomputer, are committed to providing the most advanced computer systems to Dutch scientists and engineers. Researchers will be able to operate at the cutting edge of advanced fundamental and applied scientific research with the largest SGI Altix 3000 supercluster to date. Supercomputing applications running at SARA, which provides services to researchers throughout the Netherlands in a grid environment, include climate research, medical science, water management and water quality calculations, fluid dynamics and turbulence modeling, computational chemistry, and genomics, including bioinformatics. SGI Announces Key Sales Wins for Fourth Quarter The exploration and production department of Total, the major French oil and gas company purchased a 256-processor SGI Altix 3000 supercluster. Intended for seismic processing applications, the system will complement the companys existing SGI infrastructure and will be integrated into its storage area network environment, which is based on the SGI CXFS shared filesystem. To be installed at Totals technical center in Pau, France, the SGI Altix system is designed to help Totals 44 exploration and production subsidiaries identify and develop onshore and offshore oil and gas prospects. Seismic analysis, which generates a digital image of the subsurface structure of the prospect or field under evaluation, is one of the energy industrys most effective prospecting methods. The system, comprising 256 Intel Itanium 2 processors at 900 MHz, with 1TB memory and 16TB of SGI Total Performance 9500 storage, will provide Total with additional processing power of close to 1 TFLOPS. This new machine will allow Total to reduce processing times, thereby optimizing decisions concerning drilling or the acquisition of assets within new areas. The Center for Computational Sciences at the Department of Energys Oak Ridge National Laboratory (ORNL) has purchased a new, 256-processor SGI Altix 3000 system. The system will enable a powerful new class of applications for ORNL researchers, whose far-reaching efforts strengthen the nations leadership in the sciences, clean energy management and production,environmental protection, and homeland security. With 256 new Intel Itanium 2 processors, 2TB of global shared memory, and 1.5 TFLOPS of computational power at their disposal, ORNL researchers can simulate and analyze data sets of extraordinary size and complexity. The groundbreaking capabilities of the SGI Altix 3000 system will help ORNL drive new generations of scientific applications hungry for increased computing power and capacity. The applications include those used in computational biology and genetic research, as well as climate modeling, in which researchers project the potential long-term impact of such environmental threats as pollution and ozone depletion. As part of its grid computing efforts, Loughborough University in Leicestershire, England, has purchased a new 32-processor SGI Altix 3000 system for use in the universitys new eScience Centre. The new system, which will feature new Intel Itanium 2 processors and 32 GB of memory, also will serve as a general-purpose high performance computing facility for the university, which has research programs spanning an array of scientific and engineering disciplines. The Weizmann Institute of Science in Rehovot, Israel, one of the worlds foremost centers of scientific research and graduate study, purchased a 60-processor SGI Altix 3700 system. The system will be used by the faculty of chemistry, among other things, to analyze and identify novel electronic materials, such as materials based on organic compounds, materials that combine electronic and magnetic properties, nanomaterials, and more. Using the SGI Altix 3700 system will help researchers to interpret the measured behavior of materials and to predict new materials with novel properties. The National Magnetic Resonance Facility at Madison (NMRFAM), located at the University of Wisconsin-Madison and supported by a grant from the National Center for Research Resources of the National Institutes of Health, purchased two SGI Altix 3000 systems, each driven by 12 new Intel Itanium 2 processors, to drive its most demanding applications. The shared memory architecture and massive processor I/O inherent in the Altix 3000 architecture provides an ideal platform for quantum chemical calculations. The complexity and computational requirements of those calculations were crucial in the selection of the Altix 3000 system over a conventional Linux cluster. Researchers and staff at NMRFAM are focused on developing multinuclear, multidimensional nuclear magnetic resonance approaches to studies of proteins, nucleic acids, carbohydrates, lipids, and other biological macromolecules. SGI Announces Key Sales Wins for Fourth Quarter At the University of Washingtons Department of Astronomy, groundbreaking research led by Dr. Tom Quinn is delving into the origins of the universe. With two new SGI Altix 3000 systems, each powered by 12 Intel Itanium 2 processors (1.30 GHz with 3MB L3 cache), Quinn and his colleagues can more efficiently run and analyze simulations of cosmological

structure formation, in addition to studies of galactic and solar system dynamics and planet formation. The SGI Altix 3000 systemsone with 32 GB of memory and the other with 16GBwill allow researchers to interpret simulation results more quickly and accurately. University of Washington researchers selected Altix 3000 because they required a low-latency, high-bandwidth, Linux OS-based solution capable of accommodating large models in a single memory footprint. The Center for High Performance Computing at North Dakota State University will take delivery this quarter of an SGI Altix 3000 server. The system, configured with 12 Intel Itanium 2 processors and 48 GB of memory, will be used to target large memory model simulations. The Linux OS-based SGI Altix solution will combine with a Linux-based distributed memory cluster as components of a balanced high performance computing solution. Academics throughout Ohio will have access to a 32-processor SGI Altix 3000 system recently acquired by the Ohio Supercomputer Center. Powered by new Intel Itanium 2 processors and featuring 64GB of system memory, the system will enable continued studies in a broad range of computational sciences such as biomedical engineering, chemistry, materials, mechanics, and physics. The Altix systems global shared--memory capabilities also will make it a well-suited platform for OSCs researcher-developed applications designed for parallel environments, including OpenMP and MPI, as well as well as Gaussian, NWChem, LSDYNA and other leading technical applications. To support the new Altix 3000 system, OSC will install an additional 730GB of Fibre Channel storage to its SGI TP9400 RAID system. Researchers across Minnesota will have access to the most powerful SGI servers featuring the new Intel Itanium 2 processor with the University of Minnesota Supercomputing Institutes purchase of a 24-processor SGI Altix 3000 system. The newly installed system, featuring 48G of memory, runs on the Linux operating system and uses the just-launched Intel Itanium 2 processor. Research projects on the new system are expected to span the full spectrum of highperformance computing research needs, from numerical modeling of geophysical processes and genetic epidemiology of cardiovascular disease to quantum models for biological systems and methods for computational electromagnetics. Multidisciplinary and faculty driven, the institute is available to researchers at accredited colleges across the state of Minnesota, many of whom have collaborators at institutions worldwide. The new system cements a relationship that began with installation of an SGI Origin server infrastructure that has been upgraded over the last five years. Founded in 1984, the Supercomputing Institute is a linchpin program in the universitys broad-based digital technology effort. Its mission includes all aspects of high-performance computing and scientific modeling and simulation, as well as high-performance network communications, informatics and data mining. Among other key fourth quarter wins in the government and defense, sciences, energy and media sectors were: The Department of Defense (DoD) High Performance Computing Modernization Program (HPCMP), took delivery on an initial order for SGI hardware, software, services and support worth $26 million. SGI technology will provide DoD researchers with the added processing power and shared memory to compute and analyze increasingly complex mission-critical problems and keep the DoD HPCMP at the forefront of advanced high-performance computing. The order includes SGI hardware, software and services, as well as optional customer support over 42 months. The SGI products provide a full range of computational resources including SGI Origin 3000 scalable supercomputers, an SGI Onyx 3000 series graphics supercomputer, SGI Origin SGI Announces Key Sales Wins for Fourth Quarter 300 midrange technical servers, SGI TP9500 RAID storage arrays, and the SGI CXFS shared filesystem. Four DoD high-performance computing centers have been selected to deploy these SGI systems.the Aeronautical Systems Center, Wright-Patterson Air Force Base, Ohio; the U.S. Army Engineer Research and Development Center, Vicksburg, Miss.; Fleet Numerical Meteorology and Oceanography Center, Monterey, Calif.; and the Naval Air Warfare Center Aircraft Division, Patuxent River, Md. These SGI systems will be applied to local, missionspecific and technical challenges and will address the overall DoD research, development and test computing requirements. To meet the need for a large shared-memory computer for large-scale parallel computing at the Western Canada Research Grid, also known as WestGrid, SGI has installed a 256-processor SGI Origin 3900 system at the University of Alberta in Edmonton, Canada. The university has selected an SGI Origin 3900 server with 256GB of memory and 2TB of local Fibre Channel disk with the ability to partition the system to 2 x 128 processors. An SGI Origin 350 eightprocessor head node was also purchased, as was a shared 5TB SGI TP9500 SAN with CXFS, a 16TB StorageTek L180 Tape Library system, and Legato NetWorker backup software. WestGrid will provide high-performance computing, networking, and collaboration tools to eight institutions in Western Canada, and the supercomputer will be used by researchers in multiple disciplines at these institutions and beyond. University of Alberta research projects on the system include designing a more efficient catalytic converter for cars in order to decrease automobile pollution, modeling the magnetosphere (weather in space), which has been known to knock out satellites, and developing the first fully functional model of a working cell. The system was selected based on price/performance, large memory scaling and excellent tools. PEMEX, Mexicos government-owned oil and gas company is among the top five in the world in terms of reserves, production and refining with a current production of 3.73 million barrels of crude oil every day and 411,000 barrels of natural gas. Pemex has just purchased its fourth SGI Reality Center solution powered by a 16-processor SGI Onyx 3000 system with four graphics pipes which will be used for 3D and 4D seismic interpretation and reservoir monitoring located in the Southern Mexican basin. The system will dramatically increase the companys recovery factors of exploration and production and thus reduce the risk of dry drills, saving millions of dollars in exploration and production. Scientists and students at Brigham Young University are now able to tap into a 128-processor SGI Origin 3900 server, the result of a recent system upgrade intended to outfit its Center for the Universitys Remote Sensing (CERS) with the latest high-performance technology. With 64 GB of system memory, the system will drive a vast array of specialized supercomputing applications from technical studies to fine arts and animation projectsused by undergraduate students at BYUs Ira and Mary Lou Fulton Supercomputing Center. Affectionately nicknamed Mary Lou, the new system also is helping with remote sensing projects that, among other things, are pinpointing and tracking the location of icebergs in shipping lanes and other locations. The SGI Origin system's stability, reliability, ease of programming, and shared memory capabilities made it an ideal computing upgrade for CERS. I-Spatial Communications Pvt. Ltd. has selected SGI as the prime contractor to set up thetelevision head-end infrastructure for a convergence delivery network for about 50,000 subscribers in the first

year. This project will roll out in phases, beginning with six SGI Origin 300 servers by the end of this month, and will eventually cover seven cities in India. I-Spatial Communications is a telecom and media solutions company based in Bangalore, India, and is setting up CDN services for the first time. The company intends to provide broadband value-added services like video-ondemand, near video-on-demand, Internet access, and satellite television transmission. SGI Announces Key Sales Wins for Fourth Quarter Tippett Studio, the renowned Northern California film effects facility, is currently completing production on Matrix Revolutions and beginning work on Stepford Wives, Hellboy and Starship Troopers 2. To store and manage the massive amounts of data expected to be generated in creating these special effects, Tippett purchased a storage area network (SAN) solution from SGI comprising 14TB of SGI TP9500 storage, two four-processor SGI Origin 350 metadata servers and two 16-port Brocade Fibre Channel switches. Tippett was able to leverage its current SGI infrastructure and add it to the SAN under the control of the SGI CXFS shared filesystem, SGI Performance Co-Pilot performance monitoring system and SGI FailSafe high-availability software. This infrastructure included a recently purchased SGI Origin 300 fileserver that manages Tippetts tape robot, an Origin 2100 server being used as a backup metadata server and SGI TP9400 storage array. Sdwestrundfunk (SWR), the second largest station in Germanys public broadcasting network ARD, has decided to further expand its digital newsroom innovation goals. SGI was commissioned to deliver, in the role of a prime contractor, a server-based news production and playout environment for SWRs location in Stuttgart, after successfully installing a similar solution for the regional studio in Mainz (that went on-air in February, 2003). The digital news infrastructure will transform the tape-based news production processes to a nearly paperless, highly integrated, and streamlined workflow from ingest to transmission. Central to the solution are two SGI Media Server for broadcast systems for ingest and playout. Material will be accessible also in MPEG-1for browsing and rough-cut editing. Acting as a systems integrator, SGI Professional Services will work with subcontractors SGT and Pinnacle Systems to include best-in-class software solutions for news production, media-management, browsing, automation and non-linear-editing. This news release contains forward-looking statements regarding financial and contractual customer commitments and the installation and performance of hardware and software that are subject to risks and uncertainties. Such risks and uncertainties include reliance on performance of third-party partners, timely delivery of the system, acceptance of the system by the customer, changes in the authorization of government spending and other risks detailed from time to time in the companys most recent SEC reports, including its reports on Form 10-K and Form 10-Q. About SGI SGI, also known as Silicon Graphics, Inc., is the worlds leader in high-performance computing, visualization and storage. SGIs vision is to provide technology that enables the most significant scientific and creative breakthroughs of the 21st century. Whether its sharing images to aid in brain surgery, finding oil more efficiently, studying global climate or enabling the transition from analog to digital broadcasting, SGI is dedicated to addressing the next class of challenges for scientific, engineering and creative users. SGI was named on FORTUNE magazines 2003 list of Top 100 Companies to Work For. With offices worldwide, the company is headquartered in Mountain View, Calif., and can be found on the Web at www.sgi.com. end Silicon Graphics, SGI, Origin, Onyx, Reality Center, XFS and the SGI logo are registered trademarks and Altix, CXFS, OpenMP, Performance Co-Pilot, FailSafe and SGI Media Server are trademarks of Silicon Graphics, Inc., in the United States and/or other countries worldwide. Linux is a registered trademark of Linus Torvalds in several countries. Intel and Itanium are registered trademarks of Intel Corporation. All other trademarks mentioned herein are the property of their respective owners.