

Calculation of Non-GAAP Quarterly Results of Operations and Adjusted EBITDAR

Three Months Ended:	26-Sep-08	27-Jun-08	28-Mar-08	28-Dec-07	28-Sep-07
	(in thousands)				
Total revenue (GAAP)	\$92,759	\$93,869	\$79,078	\$90,111	\$91,085
Plus: Fresh-start accounting adjustments	826	1,557	2,046	2,094	3,835
SOP 97-2 revenue deferrals (1)	23,935	26,035	(253)	16,935	25,813
Non-GAAP total revenue	117,520	121,461	80,871	109,140	120,733
Cost of revenue (GAAP)	63,513	64,351	60,484	62,248	63,581
Plus: Fresh-start accounting adjustments	(1,126)	(1,274)	(1,492)	(3,834)	(2,762)
SOP 97-2 revenue deferrals (1)	19,933	13,738	286	11,794	18,576
Depreciation & amortization - Linux Networx	(140)	(130)	(45)	-	-
Stock-based compensation expense	(66)	(90)	(84)	8	(87)
Non-GAAP cost of revenue	82,114	76,595	59,149	70,216	79,308
Research and development expense (GAAP)	15,096	14,308	16,520	14,464	13,296
Plus: Fresh-start accounting adjustments	(2)	(169)	(108)	(12)	47
Depreciation & amortization - Linux Networx	(147)	(226)	(60)	-	-
Write-off of in-process R&D - Linux Networx	-	-	(2,400)	-	-
Stock-based compensation expense	(373)	(317)	(320)	(253)	(309)
Non-GAAP research and development expense	14,574	13,596	13,632	14,199	13,034
Selling, general and administrative expenses (GAAP)	36,862	43,179	42,484	44,163	41,224
Plus: Fresh-start accounting adjustments	(1,864)	(2,710)	(2,545)	(2,525)	(2,076)
Depreciation & amortization - Linux Networx	(252)	(173)	(118)	-	-
Stock-based compensation expense	(808)	(724)	(705)	(530)	(718)
Non-GAAP selling, general and administrative expenses	33,938	39,572	39,116	41,108	38,430
Other operating expenses (GAAP)	3,809	603	230	20	175
Plus: Restructuring and bankruptcy related expenses	(3,809)	(603)	(230)	(20)	(175)
Non-GAAP other operating expenses	-	-	-	-	-
Operating expenses (GAAP)	55,767	58,090	59,234	58,647	54,695
Plus: Fresh-start accounting adjustments	(1,866)	(2,879)	(2,653)	(2,537)	(2,029)
Stock-based compensation expense	(1,181)	(1,041)	(1,025)	(783)	(1,027)
Goodwill impairment	-	-	-	-	-
Depreciation & amortization - Linux Networx	(399)	(399)	(178)	-	-
Write-off of in-process R&D - Linux Networx	-	-	(2,400)	-	-
Restructuring and bankruptcy related expenses	(3,809)	(603)	(230)	(20)	(175)
Non-GAAP operating expenses	48,512	53,168	52,748	55,307	51,464
Operating income (loss) (GAAP)	(26,521)	(28,572)	(40,640)	(30,784)	(27,191)
Plus: Fresh-start accounting adjustments	3,817	5,710	6,191	8,465	8,626
SOP 97-2 revenue deferrals (1)	4,002	12,297	(539)	5,141	7,237
Stock-based compensation expense	1,247	1,131	1,109	775	1,114
Depreciation & amortization - Linux Networx	539	529	223	-	-
Write-off of in-process R&D - Linux Networx	-	-	2,400	-	-
Restructuring and bankruptcy related expenses	3,809	603	230	20	175
Non-GAAP operating income (loss):	(13,106)	(8,302)	(31,026)	(16,383)	(10,039)
Plus: Depreciation	6,081	5,306	5,375	5,414	6,224
Adjusted EBITDAR	(7,025)	(2,996)	(25,651)	(10,969)	(3,815)

Three Months Ended:	26-Sep-08	27-Jun-08	28-Mar-08	28-Dec-07	28-Sep-07
	(in thousands)				
Products revenue (GAAP)	\$45,215	\$46,316	\$35,932	\$43,413	\$45,596
Plus: Fresh-start accounting adjustments	-	-	306	196	22
SOP 97-2 revenue deferrals (1)	19,853	23,242	(491)	15,817	24,688
Non-GAAP products revenue	65,068	69,558	35,747	59,426	70,306
Global services revenue (GAAP)	47,544	47,553	43,146	46,698	45,489
Plus: Fresh-start accounting adjustments	826	1,557	1,740	1,898	3,813
SOP 97-2 revenue deferrals (1)	4,082	2,793	238	1,118	1,125
Non-GAAP global services revenue	52,452	51,903	45,124	49,714	50,427
Total revenue (GAAP)	92,759	93,869	79,078	90,111	91,085
Plus: Fresh-start accounting adjustments	826	1,557	2,046	2,094	3,835
SOP 97-2 revenue deferrals (1)	23,935	26,035	(253)	16,935	25,813
Non-GAAP total revenue	117,520	121,461	80,871	109,140	120,733
Products cost of revenue (GAAP)	34,849	32,743	32,038	34,938	37,692
Plus: Fresh-start accounting adjustments	(1,126)	(1,196)	(1,588)	(3,789)	(2,718)
SOP 97-2 revenue deferrals (1)	15,918	14,290	(50)	9,913	18,092
Depreciation & amortization - Linux Networx	(50)	(50)	(24)	-	-
Stock-based compensation expense	(40)	(38)	(39)	(34)	(27)
Non-GAAP products cost of revenue	49,551	45,749	30,337	41,028	53,039
Global services cost of revenue (GAAP)	28,664	31,608	28,446	27,310	25,889
Plus: Fresh-start accounting adjustments	-	(78)	96	(45)	(44)
SOP 97-2 revenue deferrals (1)	4,015	(552)	336	1,881	484
Depreciation & amortization - Linux Networx	(90)	(80)	(21)	-	-
Stock-based compensation expense	(26)	(52)	(45)	42	(60)
Non-GAAP global services cost of revenue	32,563	30,846	28,812	29,188	26,269
Cost of revenue (GAAP)	63,513	64,351	60,484	62,248	63,581
Plus: Fresh-start accounting adjustments	(1,126)	(1,274)	(1,492)	(3,834)	(2,762)
SOP 97-2 revenue deferrals (1)	19,933	13,738	286	11,794	18,576
Depreciation & amortization - Linux Networx	(140)	(130)	(45)	-	-
Stock-based compensation expense	(66)	(90)	(84)	8	(87)
Non-GAAP cost of revenue	82,114	76,595	59,149	70,216	79,308
Products gross profit (GAAP)	10,366	13,573	3,894	8,475	7,904
Plus: Fresh-start accounting adjustments	1,126	1,196	1,894	3,985	2,740
SOP 97-2 revenue deferrals (1)	3,935	8,952	(441)	5,904	6,596
Depreciation & amortization - Linux Networx	50	50	24	-	-
Stock-based compensation expense	40	38	39	34	27
Non-GAAP products gross profit	15,517	23,809	5,410	18,398	17,267
Non-GAAP products gross profit margin	23.8%	34.2%	15.1%	31.0%	24.6%
Global services gross profit (GAAP)	18,880	15,945	14,700	19,388	19,600
Plus: Fresh-start accounting adjustments	826	1,635	1,644	1,943	3,857
SOP 97-2 revenue deferrals (1)	67	3,345	(98)	(763)	641
Depreciation & amortization - Linux Networx	90	80	21	-	-
Stock-based compensation expense	26	52	45	(42)	60
Non-GAAP global services gross profit	19,889	21,057	16,312	20,526	24,158
Non-GAAP global services gross profit margin	37.9%	40.6%	36.1%	41.3%	47.9%
Gross profit (GAAP)	29,246	29,518	18,594	27,863	27,504
Plus: Fresh-start accounting adjustments	1,952	2,831	3,538	5,928	6,597
SOP 97-2 revenue deferrals (1)	4,002	12,297	(539)	5,141	7,237
Depreciation & amortization - Linux Networx	140	130	45	-	-
Stock-based compensation expense	66	90	84	(8)	87
Non-GAAP gross profit	35,406	44,866	21,722	38,924	41,425
Non-GAAP gross profit margin	30.1%	36.9%	26.9%	35.7%	34.3%

- (1) The non-GAAP adjustments for SOP 97-2 are indicative of the revenue results the company would have recorded without the effect of SOP 97-2, although these are unaudited adjustments. We believe that this presentation more closely matches the results that would have been recorded had SAB 104 been applied, in which case the revenue for the hardware components of the arrangement would have been recorded when those deliverables were completed, and the primary remaining deliverable is customer support. Generally, this presentation matches the timing of billings to customers for the hardware deliverables, and therefore allows more transparency to cashflows.

Calculation of Non-GAAP Quarterly Backlog

Three Months Ended:	26-Sep-08	27-Jun-08	28-Mar-08	28-Dec-07	28-Sep-07
	(in thousands)				
Total beginning backlog (GAAP)	\$241,287	\$202,146	\$163,215	\$112,847	\$88,679
Plus: Bookings	58,284	96,226	82,846	100,286	77,022
Products and professional services revenue (GAAP)	(55,921)	(57,085)	(43,915)	(49,918)	(52,854)
Total ending backlog (GAAP)	\$243,650	\$241,287	\$202,146	\$163,215	\$112,847
Total non-GAAP beginning backlog	\$147,023	\$133,746	\$95,579	\$64,557	\$66,147
Plus: Bookings	58,284	96,226	82,846	100,286	77,022
Non-GAAP products and professional services revenue	(79,933)	(82,949)	(44,679)	(69,264)	(78,612)
Total non-GAAP ending backlog	\$125,374	\$147,023	\$133,746	\$95,579	\$65,025

Calculation of Non-GAAP Quarterly Products Standard Profit Margin

Three Months Ended:	26-Sep-08	27-Jun-08	28-Mar-08	28-Dec-07	28-Sep-07
	(in thousands)				
Total products revenue (GAAP)	45,215	\$46,316	\$35,932	\$43,413	\$45,596
Less: Other revenue	(238)	(305)	(1,015)	(286)	(395)
Plus: Fresh-start accounting adjustments	-	-	306	196	22
SOP 97-2 revenue deferrals	19,853	23,242	(491)	15,817	24,688
Non-GAAP total products revenue	64,830	69,253	34,732	59,140	69,911
Products standard cost of revenue (GAAP)	24,250	23,575	20,549	24,919	28,163
Plus: Fresh-start accounting adjustments	-	-	(441)	(2,521)	(1,555)
SOP 97-2 revenue deferrals	15,918	14,290	(50)	9,913	18,092
Non-GAAP products standard cost of revenue	40,168	37,865	20,058	32,311	44,700
Products standard margin (GAAP)	20,727	22,436	14,368	18,208	17,038
Plus: Fresh-start accounting adjustments	-	-	747	2,717	1,577
SOP 97-2 revenue deferrals	3,935	8,952	(441)	5,904	6,596
Non-GAAP products standard margin	24,662	31,388	14,674	26,829	25,211
Non-GAAP products standard margin	38.0%	45.3%	42.2%	45.4%	36.1%

Calculation of Non-GAAP Revenue by Reporting Segment

Three Months Ended:	26-Sep-08	27-Jun-08	28-Mar-08	28-Dec-07	28-Sep-07	
	(in thousands)					
Computer Systems Products:						
	Shared Memory (GAAP)	\$17,751	\$21,179	\$13,621	\$17,577	\$19,323
Plus:	Fresh-start accounting adjustments	-	-	306	196	22
	SOP 97-2 revenue deferrals	405	(601)	(1,950)	6,167	16,788
	Non-GAAP shared memory products revenue	18,156	20,578	11,977	23,940	36,133
	Cluster products (GAAP)	9,605	8,193	7,581	3,918	10,215
Plus:	Fresh-start accounting adjustments	-	-	-	-	-
	SOP 97-2 revenue deferrals	16,233	16,735	1,603	6,157	4,099
	Non-GAAP cluster products revenue	25,838	24,928	9,184	10,075	14,314
	Storage products revenue (GAAP)	12,222	9,480	7,646	12,856	7,742
Plus:	Fresh-start accounting adjustments	-	-	-	-	-
	SOP 97-2 revenue deferrals	1,203	4,203	203	2,303	3,377
	Non-GAAP storage products revenue	13,425	13,683	7,849	15,159	11,119
	Software products revenue (GAAP)	2,235	3,417	2,231	2,437	2,580
Plus:	Fresh-start accounting adjustments	-	-	-	-	-
	SOP 97-2 revenue deferrals	2,055	-	-	-	-
	Non-GAAP software products revenue	4,290	3,417	2,231	2,437	2,580
	Other Revenue (GAAP)	3,402	4,047	4,854	6,625	5,736
Plus:	Fresh-start accounting adjustments	-	-	-	-	-
	SOP 97-2 revenue deferrals	(43)	2,905	(348)	1,190	424
	Non-GAAP other revenue	3,359	6,952	4,506	7,815	6,160
	Non-GAAP computer systems products revenue	65,068	69,558	35,747	59,426	70,306
Services:						
	Customer support (GAAP)	36,838	36,784	35,163	40,193	38,231
Plus:	Fresh-start accounting adjustments	826	1,557	1,345	1,898	3,813
	SOP 97-2 revenue deferrals	(77)	171	(316)	(2,215)	77
	Non-GAAP customer support revenue	37,587	38,512	36,192	39,876	42,121
	Professional services (GAAP)	10,706	10,769	7,983	6,505	7,258
Plus:	Fresh-start accounting adjustments	-	-	395	-	-
	SOP 97-2 revenue deferrals	4,159	2,622	554	3,333	1,048
	Non-GAAP professional services revenue	14,865	13,391	8,932	9,838	8,306
	Non-GAAP global services revenue	52,452	51,903	45,124	49,714	50,427
	Non-GAAP revenue	<u>\$117,520</u>	<u>\$121,461</u>	<u>\$80,871</u>	<u>\$109,140</u>	<u>\$120,733</u>