

**SILICON GRAPHICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts, unaudited)

	Successor Company				Predecessor Company
	Three Months Ended		Nine Months Ended	Six Months Ended	Three Months Ended
	Mar. 28, 2008	Mar. 30, 2007	Mar. 28, 2008	Mar. 30, 2007	Sep. 28, 2006
Product and other revenue	\$ 29,592	\$ 56,117	\$ 110,194	\$ 114,797	\$ 45,229
Product revenue from related party (1)	6,340	2,454	14,747	7,456	15,377
Global services revenue	43,146	52,475	135,333	96,516	61,199
Total revenue	<u>79,078</u>	<u>111,046</u>	<u>260,274</u>	<u>218,769</u>	<u>121,805</u>
Costs and expenses:					
Cost of product and other revenue	32,038	41,330	104,668	101,248	42,710
Cost of global services revenue	28,446	33,025	81,645	62,412	32,265
Research and development (2)	16,520	14,186	44,280	29,170	16,007
Selling, general and administrative	42,484	42,017	127,871	83,623	42,359
Other operating expense, net	230	358	425	3,243	3,926
Total costs and expenses	<u>119,718</u>	<u>130,916</u>	<u>358,889</u>	<u>279,696</u>	<u>137,267</u>
Operating loss	(40,640)	(19,870)	(98,615)	(60,927)	(15,462)
Interest expense	(2,049)	(1,430)	(5,051)	(3,432)	(7,688)
Interest expense from related parties	(1,921)	(1,406)	(4,861)	(2,562)	-
Interest and other income (expense), net (3)	4,996	174	(2,357)	1,373	11,391
Loss before reorganization items and income taxes	(39,614)	(22,532)	(110,884)	(65,548)	(11,759)
Reorganization items, net	-	-	-	-	340,397
Income (loss) before income taxes	(39,614)	(22,532)	(110,884)	(65,548)	328,638
Income tax provision	119	488	7,218	1,166	2,382
Net income (loss)	<u>\$ (39,733)</u>	<u>\$ (23,020)</u>	<u>\$ (118,102)</u>	<u>\$ (66,714)</u>	<u>\$ 326,256</u>
Net income (loss) per share:					
Basic	<u>\$ (3.49)</u>	<u>\$ (2.07)</u>	<u>\$ (10.53)</u>	<u>\$ (6.00)</u>	<u>\$ 1.20</u>
Diluted	<u>\$ (3.49)</u>	<u>\$ (2.07)</u>	<u>\$ (10.53)</u>	<u>\$ (6.00)</u>	<u>\$ 0.77</u>
Weighted-average shares used to compute net income (loss) per share:					
Basic	<u>11,372</u>	<u>11,125</u>	<u>11,215</u>	<u>11,125</u>	<u>271,563</u>
Diluted	<u>11,372</u>	<u>11,125</u>	<u>11,215</u>	<u>11,125</u>	<u>423,875</u>

(1) Represents product sales to SGI Japan, a related party of which we owned a 10% interest at March 28, 2008 and at September 29, 2006.

(2) The three-month period ended March 28, 2008 includes approximately \$2 million of in-process research and development resulting from our acquisition of certain assets formerly owned by Linux Networkx, Inc.

(3) The three-month period ended March 28, 2008 includes a gain of approximately \$4 million on the sale of our investment in MicroUnity Systems Engineering, Inc. The nine-month period ended March 28, 2008 includes a write-down of approximately \$6 million of our equity investment in SGI Japan to the estimated fair value of the investment, which was approximately \$15 million at March 28, 2008. The three-month period ended September 29, 2006 includes a pre-tax gain of approximately \$10 million on the sale of a portion of the Predecessor Company's investment in SGI Japan.