Corporate Update
"Jim's Top Ten"

Jim Rottsolk

Chairman, President & CEO

CUG 2004

Reason #10

Cray is Building a Workforce to be Successful

- **Grew staff to over 950, worldwide**
  - **Added key senior management**
    - **Peter Ungaro, V.P. of Sales & Marketing**
    - **Ulla Thiel, Director of Sales, EMEA**
    - **Ly Pham, V.P. of Software Engineering**
    - **Gary Geissler, Senior Project Director**

- **Reorganized for Success**
  - **Created product strategy team**
  - **Engineering organized to leverage strengths**
  - **Integrated worldwide applications, benchmarking, and pre-sales**

Reason #9

CRAY

An eXtreme Family of Products

Cray X1

- 1 to 50+ TFLOPS
- $3 M - $10 M+
- Vector apps
- Cray MSP/UNICOS/mp

Red Storm

- 1 to 50+ TFLOPS
- 256 – 10,000+ processors
- $1 M - $5 M+
- Opteron/Linux/Catamount

Cray XD1

- 48 GFLOPS - 1.2+ TFLOPS
- 12 – 288+ processors
- $50 K - $2 M+
- AMD Opteron/Linux

CUG 2004

Reason #8

Cray Technologies Pushing Science

- **Cray-ORNL Selected for DOE Contract**
- **Provide 250-teraflop capability by 2007 to help maintain U.S. science leadership**
  - **World's most powerful scientific computer!**
  - **Includes X1 and 'Red Storm' product lines**
- **Value: $25M 2004, $100M+ during contract**
  - **Subject to federal funding after 2004**
- **A major milestone for Cray's renewed HPC leadership**
  - **Another victory for our purpose-built systems**
  - **A 2nd major DOE contract (with Sandia Red Storm)**

OAK RIDGE NATIONAL LABORATORY

CCS The Center for Computational Sciences
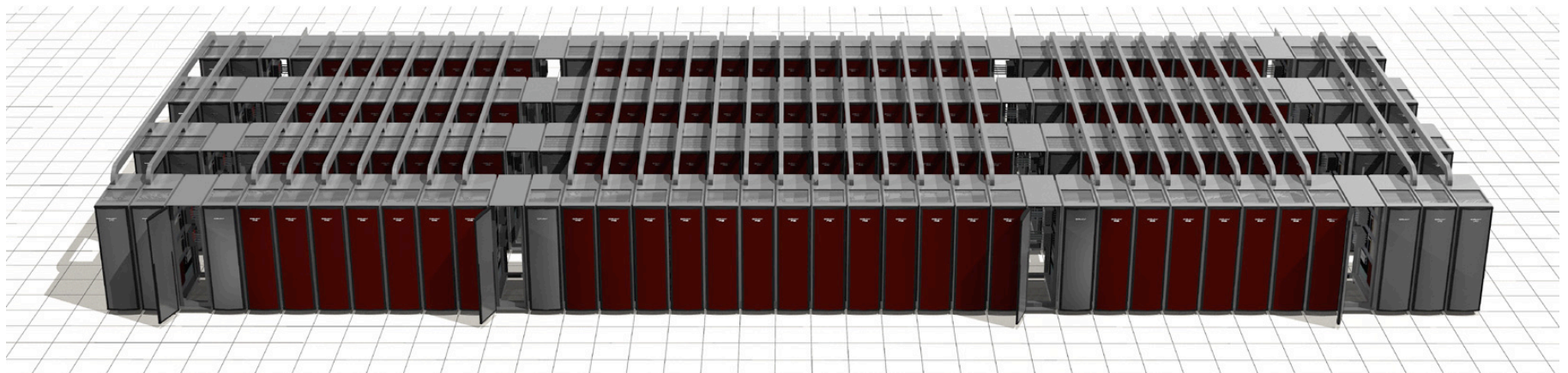
DOE High Performance Computing Research Center

CUG 2004

Reason #7

RED STORM

Sandia's Red Storm Project leading to re-emergence of the highly successful MPP architecture.

Sandia National Laboratories

CUG 2004

Reason #6

New Cray XD1 Product Provides Access to More Users

Growing Market Penetration	• **Increases Cray's addressable market** • **Accelerates Cray's entry into the broader HPC market** • **Fills HPC need for purpose-built, balanced systems** • **Intellectual property strengthens Cray's technology leadership**
Strong Business Fit	• **Complementary product lines, designed to excel at complex HPC applications, targeted at different segments of the market** • **Highly differentiated, innovative product (not a commodity cluster)** • **Experienced team** • **Leverages Cray's worldwide sales and service infrastructure**

CUG 2004

Reason #5

Extending the Cray Roadmap Beyond Petaflops

- **"Cascade" Program**
  - Goal of a "trans-petaflops system"
  - Robust, easier to program, more broadly applicable

- **Cray awarded $49.9M for Phase II**
  - Two other vendors
  - Three-year contracts
  - Phase II, Q3 report delivered

- **Phase III planned in 2006**

Reason #4

Building A Strong Company

- **Product revenues driving top-line growth**
- **R&D partnership funding by government agencies**
- **Profitable, highly leveragable business model**
- **Strong balance sheet**

Reason #3

2004 – A Year of Expansion

- **Three second-half product introductions**
  - **Cray X1E**
  - **Red Storm-based product**
  - **Cray XD1**

- **OctigaBay acquisition and integration**

- **Making Cray a partner you can bet on**

Cray is the only company focused on delivering purpose-built high-performance computing systems.

Great Partnerships with Great Customers