Safe Harbor

The statements set forth in this presentation include forward-looking statements that involve risk and uncertainties. The Company wishes to caution that a number of factors could cause actual results to differ materially from those in the forward-looking statements. These and other factors which could cause actual results to differ materially from those in the forward-looking statements are discussed in the Company’s filings with the Securities and Exchange Commission.
Cray Profile

- **Nasdaq: CRAY**
  - Seymour Cray founded Cray Research in 1972
  - Cray Inc. formed on April 1, 2000
  - Headquartered in Seattle, WA
  - Roughly 800 employees across 30 countries

- **Three Major Development Sites**
  - Chippewa Falls, WI
  - Mendota Heights, MN
  - Seattle, WA
2005 Update

• Three supercomputing products for the HPC market
  • Broadest product line in company’s history

• New management team
  • President & CEO, Peter Ungaro *
  • Executive VP & CFO, Brian Henry
  • Senior VP of Corporate Strategy & Business Development, Jan Silverman
  • Senior VP of R&D, Peg Williams
  • Senior VP and CTO, Steve Scott *

• Progress with customer acceptances
  • Korea Meteorological Administration (KMA)
  • Oak Ridge National Laboratory (ORNL)
  • Swiss National Supercomputing Centre (CSCS)
  • Pittsburgh Supercomputing Center (PSC)

“Overall Top HPC Vendor” and “Most Innovative HPC Technology for 2005”
Cray Technologies

Cray XT3: MPP Scalar Optimized

Cray X1E: Vector Optimized

Cray MTA2: Multi-Threaded Optimized

Cray XD1: FPGA Reconfigurable Computer

Providing system point-solutions for specific markets and application profiles
“Grand Challenges” in Scientific & Engineering Requiring Supercomputing

Earth Sciences
- Earthquake Prediction

Energy
- Next-Generation Nano-Fuels

Intelligence
- Threat Analysis
- Full-Vehicle Simulations

Life Sciences
- Personalized Medicine

CAE
- Unmanned Aerial Vehicle Design

Defense

Need 10 to 1000X current computing capability to solve
Focused on High-end HPC Leadership

- Total addressable market estimated at $1.5B
  - Product only, based on IDC data
- Typical system sales of $1M and up
- Over 75% of this worldwide market is comprised of government defense, government laboratory, and university/academic organizations
- Cray market share is roughly 10% today
- Vendor market strategies are bifurcating

Presents a Major Opportunity to Gain Market Share with the Introduction of the Broadest Product Line in our History
Commodity Clusters Won’t Get There

**Trend**
- New limits on single processor performance
- Commodity multi-core Chips
- General-purpose architectures optimized for the most widely-used applications
- More complex application requirements

**Opportunity**
- Increase gap between custom and commodity technologies
- Drive technology for enhanced system scalability
- Utilize different processor technologies for performance optimization within a single system
- Leverage multiple processor technologies within a single application

*Cray positioned to take advantage of these opportunities as a result of past technology investments*
Access to a variety of processor technologies creates the greatest opportunity for significant application acceleration.
Cray Vision: Adaptive Supercomputing

Combines multi-processing environments into a single, scalable system

Tailor the system to the application – not the application to the system
Benefits of Adaptive Supercomputing

• For Customers
  • Accelerates both parallel and non-parallel applications
  • Increases productivity by creating transparent interface to multiple processor types
  • Provides a familiar Linux user environment
  • Addresses a wider variety of applications
  • Creates a low-cost test-bed for experimentation on custom processor technologies

• For Cray
  • Leverages Cray Intellectual Property (IP)
  • Reduces R&D expense & risk
  • Broadens market opportunity
  • Creates technical and financial barriers for competitors

Cray is the only company that is building systems using all four technologies
The Roadmap to Adaptive Supercomputing

<table>
<thead>
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<th>Phase 0</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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<td>Individually Architected Machines</td>
<td>Integrated System Infrastructure</td>
<td>Integrated Programming &amp; User Environment</td>
<td>Dynamic Resource Allocation with Self-programming Optimization</td>
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</table>

Cray XT3
- Dual Core

Cray XD1
- FPGA Reconfigurable

Cray X1E
- Vector Optimized

Cray MTA
- Multi-threaded

“Adaptive Supercomputing”
- Transparent
- Scalable
- Robust
- Optimized
  - Scalar
  - Vector
  - Multi-threading
  - Reconfigurable

Integrated Platform

2005 2006 2007 2011
Recent Highlights

• Improved Financial Results
  • Preliminary estimated 2005 revenue range: $199M
    • Q-4 2005 estimated revenue approximately $63M
  • Operating costs significantly reduced
    $25.6M in Q-2 to $15.9M in Q-3
  • Cash up from $8.5M in Q-2 to approximately $46M in Q-4 based on preliminary results

• Restructuring, other cost containment measures
  • Aligning workforce to product roadmap
  • Increased co-development funds for custom technologies
  • Reduced facilities costs
2006 Current Outlook

- Expects to grow revenue in 2006
  - Revenue growth 5-15 percent
  - 65 percent of revenue expected in second half
  - First half impacted by:
    - Government funding cycles
    - Planned product upgrades
    - Customer orders and acceptances
- Expect operating profit in second half 2006, moderate operating losses in first half

January 10, 2006 estimates subject to safe harbor as described in press release
Our Goals

These are possible with the Intellectual Property Cray has developed in Supercomputing and their current intersection with marketplace trends.