



Press/Analyst Contacts: Gillian Farquhar
Egenera, Inc.
508-858-3262
gfarquhar@egenera.com

Caroline Luz
Owen Blicksilver Public Relations, Inc. for Pharos Capital Group
203-656-2829
caroline@blicksilverpr.com

Egenera Raises \$26 Million in Series E Funding

-Pharos Capital Group, Fujitsu Siemens Computers participate to fuel further growth-

MARLBORO, Mass. – August 14, 2006 – Egenera Inc., a global leader in datacenter virtualization architecture, today announced that it has raised \$26 million in a Series E round of funding. Led by Pharos Capital Group and Fujitsu Siemens Computers, the round was completed at a significantly increased valuation over Egenera’s previous financing round. Along with new investors Pharos and Fujitsu Siemens Computers, Egenera’s core major investors also participated in the round.

The Series E financing will be used to further accelerate the company’s global growth and to fuel technology innovations in virtualization and utility computing. With today’s announcement, Egenera has raised more than \$150 million in private funding.

“We are very pleased to add new participant Pharos and our strategic OEM partner Fujitsu Siemens Computers to the list of blue-chip investors that continue to provide enthusiastic support for Egenera,” said Thomas Sheehan, chief financial officer, Egenera. “Our latest round of funding is a strong endorsement of the business value Egenera delivers to customers and reflects the success of our OEM relationship with Fujitsu Siemens Computers.”

Sheehan continued, “Overall, this was a very strong round of funding for Egenera. Our ability to continue attracting new capital from world-class investors validates the tremendous progress we’ve made.”

Egenera was founded in March 2000 by Vern Brownell, former CTO of Goldman Sachs, based on his experience running one of the world’s largest and most sophisticated datacenters. An early pioneer in pivotal markets such as virtualization, blade servers and utility computing,

Egenera brings its experience and depth to a rapidly expanding customer list of global enterprises, service providers and government agencies.

“Egenera’s remarkable penetration into such competitive markets speaks volumes about the business value Egenera technology brings to enterprise computing,” said Jim Phillips, partner, Pharos Capital Group, LLC. “Our investment in Egenera reflects Pharos’ commitment to supporting well-managed, pioneering companies that are executing on a clear growth path. We’re excited to be working with them.”

Fujitsu Siemens Computers OEM Alliance

In September 2005, Fujitsu Siemens Computers and Egenera announced a \$300 million exclusive OEM strategic alliance in EMEA (Europe, the Middle East and Africa).

“Making an investment underscores the strategic nature of the Egenera relationship to Fujitsu-Siemens Computers as well as our full intention to extend the partnership going forward,” said Kai Flore, chief financial officer, Fujitsu Siemens Computers. “To date, the OEM alliance has been a great success, with PRIMERGY BladeFrame[®] systems installed in datacenters throughout EMEA. Fujitsu Siemens Computers and Egenera share a vision for the Dynamic Data Center. This investment demonstrates our confidence in Egenera technology as a valuable fit for our customers and our business overall.”

About Egenera Inc.

Egenera is a global leader in delivering enterprise-computing solutions that simplify datacenter operations and infrastructure. The Egenera BladeFrame system simplifies the datacenter with an innovative server architecture specifically designed to reduce complexity and enable IT to respond rapidly to business requirements. Market-leading enterprises around the world trust the Egenera BladeFrame system to run their most important business applications and achieve higher resource utilization, faster application time to market and lower total cost of ownership. Headquartered in Marlboro, Mass., Egenera has offices worldwide. For more information visit www.egenera.com, call 508-858-2600 or send email to info@egenera.com.

About Pharos Capital Group

Based in Dallas and Nashville, Pharos Capital Group (www.pharosfunds.com) currently has approximately \$500 million in capital under management. Pharos primarily invests \$10 to \$20 million in companies seeking later stage equity funding for internal growth, acquisitions, management buyouts or recapitalizations across industry sectors, with particular focus on healthcare, business services and technology.

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