

RACKSPACE GREEN SURVEY

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RACKSPACE GREEN SURVEY

Key Findings

INTRODUCTION

Last year we conducted a survey to gain insight into the perceptions that our business customers have regarding environmental issues and the impact of IT on climate change. With the changes that have happened in technology and the economy, we decided to survey our customers again to determine if trends have changed. This information allows Rackspace to better understand their customers' business decisions and how environmental responsibility plays into those decisions.

METHODOLOGY

The methodology for this research involved sending an email survey to approximately the same 3,000 Rackspace® customers as last year. Respondents were originally randomly selected from the Rackspace U.S. customer base and were informed and assured that the identity of individual responses would be kept confidential and only aggregate results would be published.

A FEW RACKSPACE PERSPECTIVES:

Businesses are less willing to make financial sacrifices to conduct a more eco-friendly business right now even through a large number of customers are concerned about their company's impact on the environment.

- Forty-one percent of respondents said they would pay five to 10 percent more to work with a green vendor rather than other market offerings; an 11 percent drop-off from 2007.
- Sixty-nine percent of respondents said they are concerned about power efficiency and its impact on the environment and are either looking for ways to address or are currently addressing power efficiency within their companies; a seven percent increase from 2007.
- Thirty percent of respondents are not willing to pay a premium for green products or services like renewable energy, recycling, conservation or carbon offsets; a rise from eight percent in 2007.

Businesses are less willing to sacrifice performance for a more green option - due to more and more customers moving critical, revenue-generating applications online. However, technological progress is filling the gaps, like the Dell PowerEdge 2970 and the AMD Quad-Core Opteron processor, allowing even the laggards to be green where the performance tradeoffs are minor and green benefits are vast.

- Only 28 percent of respondents were willing to sacrifice five to 10 percent of server performance for lower carbon emissions, almost a 50 percent drop from 2007 when 51 percent said they would sacrifice the same.
- Sixty-three percent said they were unwilling to sacrifice any performance for green, a 22 percent increase from 2007.

Because data centers are major contributors to energy consumption and carbon emissions, accounting for more than one percent of total electrical use within the U.S., the IT community is now taking environmental responsibility to the customer level. The U.S. continues to play a large role in the adoption of the green movement, with some late adopters still unconcerned about carbon emissions and their environmental impact.

- Sixty-four percent of respondents said green vendors are important, but not yet part of their business strategy; up five percent from last year.
- Seventy-one percent of respondents would choose a green vendor over a non-green vendor if the prices were the same; down just four percent from 2007.
- Eleven percent of respondents said they are not concerned about their companies' impact on the environment and believe they never will be; similar to the 12 percent that responded last year.

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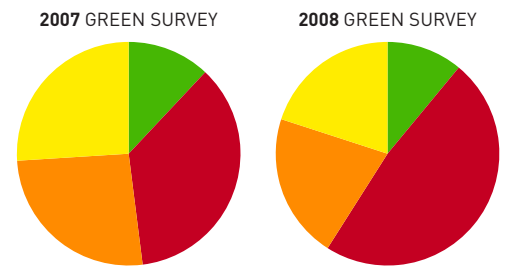
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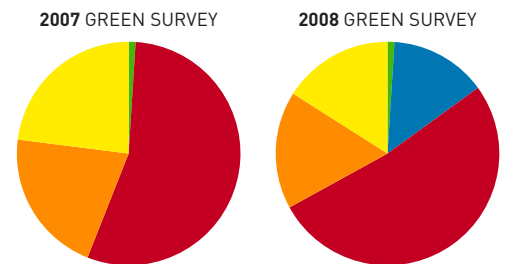
1. Which of the following describes your position on power efficiency and its effect on the environment?

| | 2007 | 2008 |
|---|------|------|
| Concerned and looking for ways to reduce the impact my company has on the environment..... | 36% | 48% |
| Concerned and actively addressing power efficiency within my company and its impact on the environment..... | 26% | 21% |
| Concerned, but my company is not yet prepared to address this important issue..... | 26% | 20% |
| Not concerned about power efficiency within my company and its impact on the environment and never will be..... | 12% | 11% |



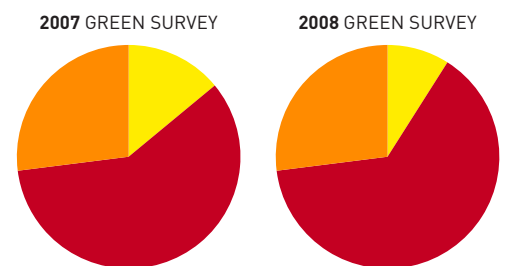
2. How green is your company today?

| | 2007 | 2008 |
|---|------|------|
| Have taken first steps (e.g. recycling, lights-off rules, etc.) | 55% | 52% |
| Have taken significant steps including choosing green vendors and products when possible, educating employees or conserving energy..... | 21% | 17% |
| Starting to think about it..... | 23% | 16% |
| We are 100% green..... | 1% | 1% |
| My company is not green, and we're not thinking about it (was not asked in 2007)..... | n/a | 14% |

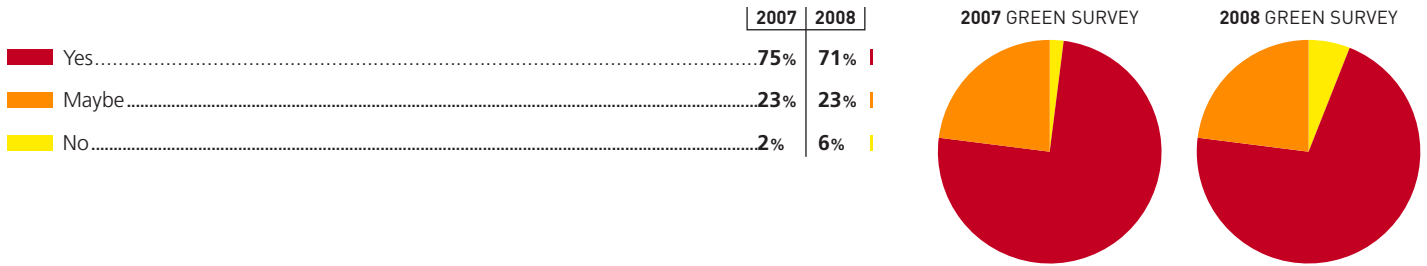


3. How important are green vendors to your business today?

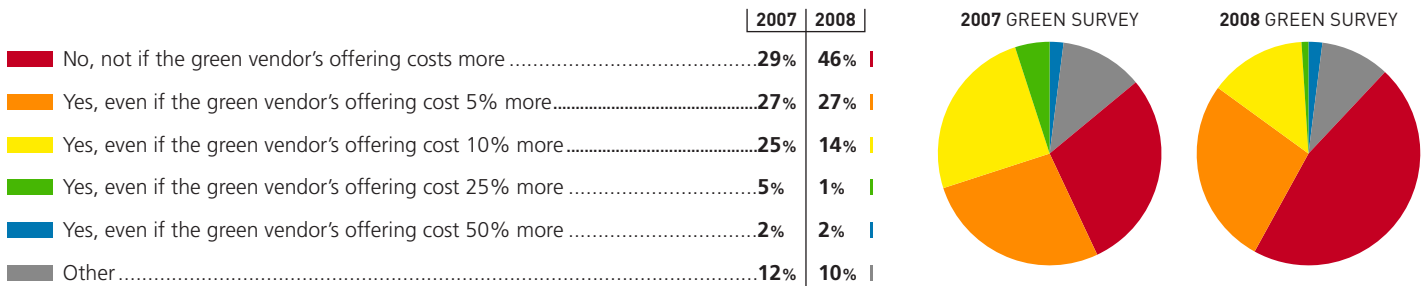
| | 2007 | 2008 |
|---|------|------|
| Green vendors are important to my company, but not central to our strategy..... | 59% | 64% |
| Green vendors are not important to my company..... | 27% | 27% |
| Green vendors are central important to my company's strategy | 14% | 9% |



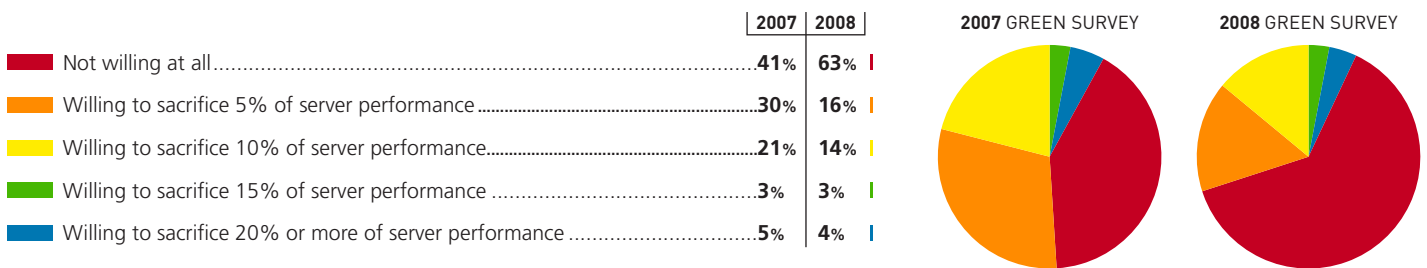
4. Would you choose a green vendor over a non-green vendor if the prices were the same?



5. Today, would you pay a premium to work with a green vendor rather than other market offerings?

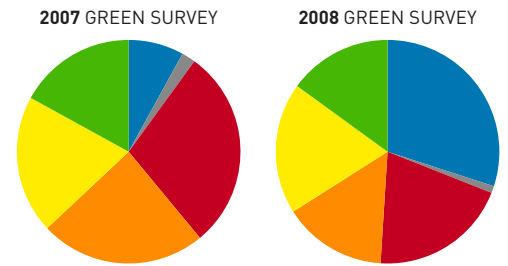


6. Are you currently willing to sacrifice server performance for lower carbon emissions?



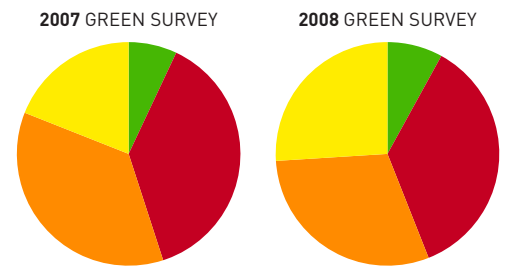
7. Would you be willing to pay a premium for products and/or services that feature the following environmental initiatives?

| | 2007 | 2008 |
|-----------------------|------|------|
| Renewable energy..... | 29% | 20% |
| Recycling..... | 24% | 15% |
| Conservation..... | 20% | 19% |
| Carbon offsets..... | 17% | 15% |
| Not willing..... | 8% | 30% |
| Other..... | 2% | 1% |



8. What impact do you think potential carbon taxes or environmental regulation will have on your business?

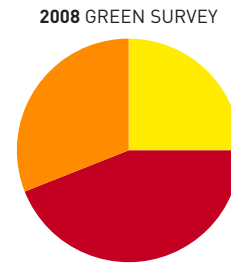
| | 2007 | 2008 |
|---------------------------------------|------|------|
| Will somewhat impact my business..... | 29% | 46% |
| Will not impact my business..... | 27% | 27% |
| Not sure..... | 25% | 14% |
| Will greatly impact my business..... | 5% | 1% |



2008 SUPPLEMENTAL QUESTIONS

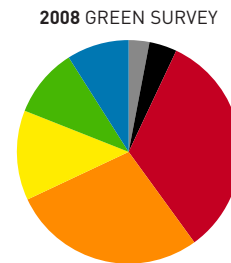
9. Would you be willing to pay a premium for green products and/or services if you could display some kind of green certification and/or logo for your customers to see?

| | 2008 |
|------------|------|
| Maybe..... | 44% |
| No..... | 31% |
| Yes..... | 25% |



10. If you had your choice to invest in renewable energy, what type would you pay a premium for?

| | 2008 |
|---------------------------|------|
| Solar | 33% |
| Windtricity..... | 28% |
| I don't care | 13% |
| Methane farms..... | 10% |
| Biomass..... | 9% |
| Wood chip combustion..... | 3% |
| Other..... | 4% |



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